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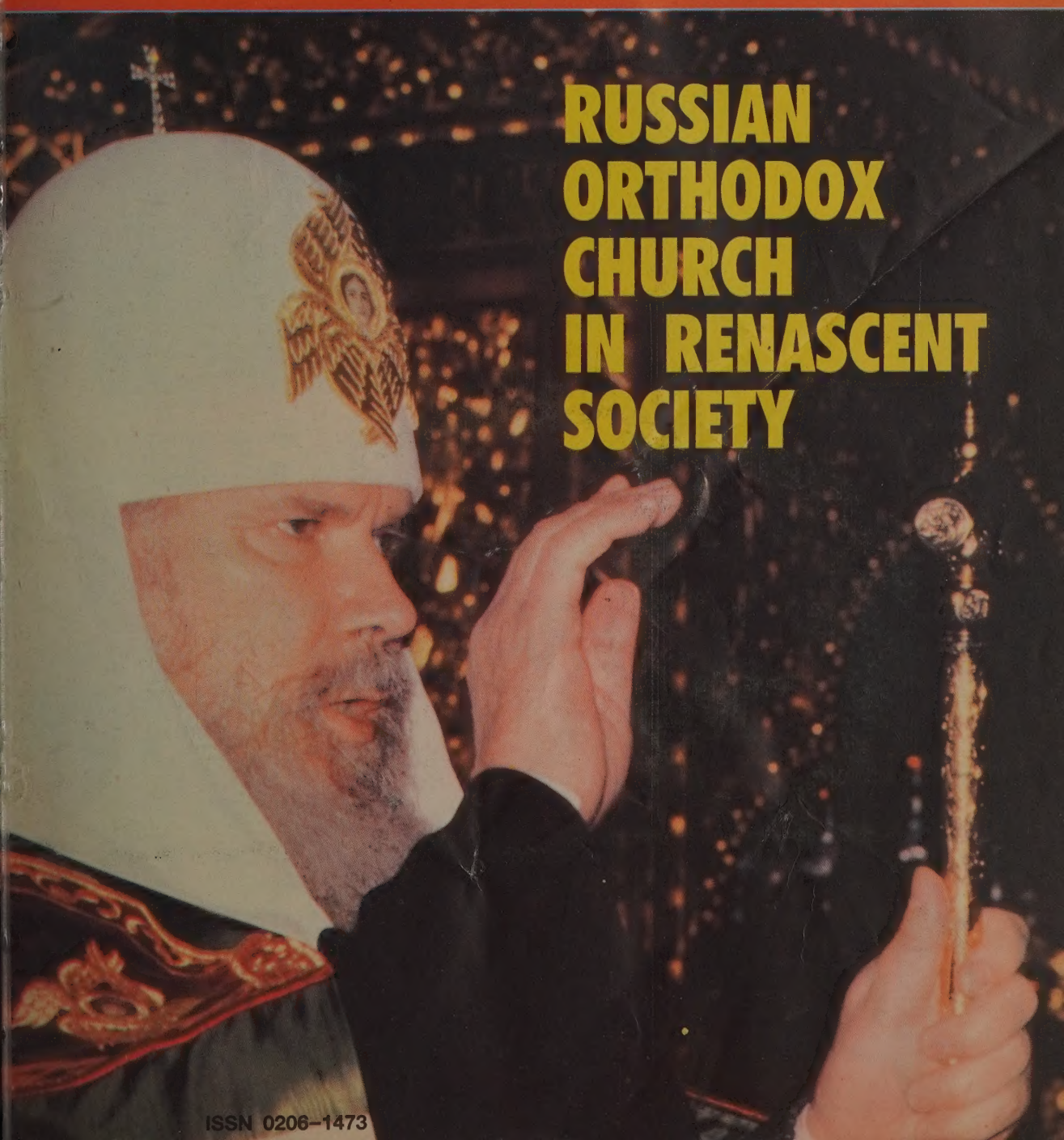

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A kind man from the Kremlin

Your President evidently has a kind heart and a pure soul. We Americans of all ages, trades and beliefs, were deeply moved by Boris Yeltsin's humane act. He expressed readiness to do his best to obtain information about the fate of American servicemen who found themselves in captivity in Russia. Though there is not a chance on earth any of them are still alive, the President's step deserves admiration. It is imbued with good will and readiness to end the period of hostility and mistrust in the history of our relations.

On behalf of Americans I thank him very much.

Peter Sux, pensioner
New York

"Nuclear genie's children"

Dmitry Volsky's article "The nuclear genie's illegitimate children" (No. 20/92) hits the nail on the head. The danger of nuclear weapons' proliferation round the world after the break-up of the USSR becomes increasingly real. For instance, I learned from newspapers in Rome that envoys from Saudi Arabia, Iraq, Iran, Turkey and Pakistan recently visited Dushanbe, Tajikistan. They were interested in purchasing the enriched uranium produced in that republic. Nuclear charges are spreading without control round the Commonwealth of Independent States, and this can destabilize the global peace process. I think this tendency must be stopped. All nuclear and non-nuclear member states of the Commonwealth should sign the international agreements on the non-proliferation of nuclear weapons. The West should seriously think of giving urgent practical assistance to Russia and the three other republics in the elimination of their nuclear weapons.

Giovanni Petrucchio
Rome

No longer totalitarian, but not yet democratic

You allege that you have done away with totalitarianism. Is it so? Lenin, the founder of the totalitarian Soviet state, still lies in the mausoleum on Red Square. It is almost the same as placing Adolf Hitler's casket in the centre of Berlin. The security police also seem to exist, true, under a different name. People coming from Russia say that as before, your citizens need special permission (you seem to call it "domicile registration"?) to live permanently in Moscow and other big cities. They have to get a visa on their passports every time they want to go abroad. The system of privileges for the ruling elite has remained, and former communist officials still hold not a few high posts in the country. Do you call all this democracy?

Konrad Hesse, professor
Frankfurt am Main

Dissidence is to be celebrated

Genuine democracy means that the opinion of another person should be considered even if you do not agree with it, and that differences should be settled by compromise. It seems that 70 years of communist rule have completely eliminated this ability in Russians. The incorrigible habit of expressing one's opinion loudly and ignoring an opposite view was revealed in the statement of Yeltsin's press secretary regarding Gorbachev's interviews in the press. To the regret of many admirers of the ex-president abroad, the matter was not confined to a verbal denunciation. Sanctions followed. Gorbachev was deprived of the right to use a prestigious car (I don't remember of what model) and was threatened with a trial as the former general secretary of the Communist Party. But will the cause of reforms and democracy gain in Russia if Gorbachev rides a bicycle and shares his views only with members of his family?

Laszlo Kostas, student
Budapest

Gorbachev opposed to Yeltsin?

Gorbachev does not yet feel the extent to which the political situation has changed in the country. The USSR does not exist any longer. Russia has embarked on the path of radical political and economic reforms. Yeltsin understands what Gorbachev failed to understand: Russia cannot mark time. Otherwise it will slide into an abyss. In his opposition to Yeltsin the ex-President seeks to rely on his high international prestige and hurt the reputation of his long-time opponent. Gorbachev did not understand why his triumphal visit to the United States did not produce the desired effect at home, and he apparently attributes this to someone's meddling. It is quite natural, in my view, that President Yeltsin thought it would be unwise to overlook the attacks by his famous opponent on the policy of reforms, and thus decided to counterattack.

Samuel Hunting, research associate
Detroit

THE WAY I SEE IT

Drawing by Igor Shein

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Address:
Pushkin Square, Moscow, GSP, 103782, Russia
Telephones: 229-88-72, 209-07-67
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Surrendering in the former USSR, Russia mounts offensive in the Gulf

The USSR exited the second time now again in Minsk. What occurred last December terminated the Soviet empire's political superstructure, but late last month at the CIS summit, Russia's acting Premier Yegor Gaidar finally agreed to dismantle the former USSR's economic basis by peacefully approving the introduction of national currencies in the other republics.

His renunciation of such effective leverage was forced, betokening something of a surrender. That machinery of economic interaction which the Yeltsin administration futilely sought to employ to unite the erstwhile Soviet republics under Russia's aegis has been recognized as useless. Apparently its own burdensome problems impelled Russia's leadership to give up dabbling in the affairs of others at least for a while. This, of course, was a strategic move that got the Kremlin to stress the independence of the other CIS republics.

For long Boris Yeltsin had preferred to see CIS as a halfway house to a new confederal or federal commonwealth, rather than a means of civilized separation. In Russia's eyes the independence of the republics was seen as a stratagem devised to allay nationalistic passions which had escalated under Mikhail Gorbachev's weak regime. Back in the early 1920s, the Bolsheviks acted somewhat similarly when they moulded and pasted together the various buffer states. However, this time matters were more serious than Yeltsin's advisers had thought, with cracks going deep even where it had been hoped that a new nucleus, implying the alliance of the three Slav republics (Russia, Belarus and Ukraine), would emerge. However, Ukraine was reluctant to accept the charade of independence and demanded a very real division of all the attributes of erstwhile statehood. As a result, Russia, whose leaders failed to discern even the immediate future, conceded point after point. At first she agreed to divvy up the Navy. Then she introduced her own defence ministry. Finally, she gave up the ruble-based monopoly. In the upshot, the boundaries of CIS jurisdiction were so greatly undercut that it became a very free and easy alliance, unable even to prevent its members from coming to grips in a big or small war.

The CIS summit in Minsk has revealed firstly that the Kremlin has drawn a line under a definite phase in its policy. CIS no longer suits its books as a lever for exerting influence throughout the former USSR. Nor were hopes of legally and politically ensuring Russia's interests by means of CIS justified, while the aura of the Russian giant's economic might soon faded under the impact of domestic difficulties, which in many respects are worse than the difficulties her partners experience.

However, Russia's disillusionment with CIS does not imply any self-disillusionment. The Kremlin continues to cling to superpower status, convinced that it is ordained to play a special role throughout the former USSR, impelled thereto by historical tradition. Indeed, Russia's political culture has thus far not developed any other notion of her place and role in the world and scarcely will she be able to do so for a long time yet to come. Disappointment in CIS barrenness has engendered among her leaders a yearning for autarchy which implies renunciation of moral commitments to former partners and a purely pragmatic and cool approach to them and their problems. Hence the arrogance with erstwhile kin seen as country cousins. Politically, threats are voiced that force will be used to tackle bilateral issues, while economically, Russian enterprises are advised not to do business with partners in the former Soviet republics. Due to the Kremlin's bureaucratic bans, Russia is already finding it easier to trade with Taiwan than with Ukraine.

To regain her formerly dominant role in the erstwhile USSR, Russia may swing back from an international standpoint. The Kremlin passive response to the dramatic collisions inside CIS is currently yielding to global activity, true not of the kind characteristic of it in Soviet times. Russia is feeling her way extremely cautiously in relations with the USA, with whom none in the Yeltsin administration thinks of rivalling at least acutely, openly. Yet wherever Washington allows it, Moscow seeks to share the responsibility. Meeting representatives of the United Arab Emirates late last month, Boris Yeltsin intimated that the USA was not against Russian arms deliveries to friendly Gulf states to thereby countercheck the still dangerous Iran.

Provided the Kremlin's internatioal services are adequately appreciated, the former Soviet republics must heed its pronouncements on affairs within the former USSR. Pax Americana will allow Russia to recreate its own small world within which the ruble will act the dollar role and someone may concoct a Monroe doctrine for the once united one-sixth of the earth's land mass.

Vladimir Kulistikov

What our politician mustn't do on any account

or lessons from the current crisis

What's going on? Tough notes have suddenly appeared in the language of members of the parliament, the media, and even leaders of the state. The "patriots" who gathered near the Ostankino TV Centre in Moscow were going to take power into their hands. Some of them threatened with "red" terror. The Vice President said that Russian troops would reply by ten shells to every shell fired against them. It seems that Russia is being simultaneously drawn into civil war and two military conflicts – with Georgia and Moldova.

The Russian leaders are faced with a challenge, the most formidable since August of last year. The long predicted upsurge of the national-socialist movement has started. Its main slogan, which guarantees broad public support, is the defence of compatriots living in other republics and of nationalities wishing to join Russia.

A sharp aggravation of the situation in South Ossetia and Moldova has compelled the Russian leaders to adopt a clear stand, which they did not have. At the same time, they felt the strong pressure of the national-socialist movement embodied in the Russian National Assembly.

What's going on? Russian politicians are beginning to look for their political niche. They are faced with a super-task: how to keep their "democratic" reputation while not being dubbed "traitors of Russians."

President Yeltsin had scarcely left Moscow when the Speaker, Ruslan Khasbulatov, declared that the parliament would probably consider South Ossetia's request to join the Russian Federation.

On the eve of Boris Yeltsin's return to Moscow, Vice President Rutskoi virtually declared an ultimatum to Georgia and Moldova. In one case he said that Russian troops would reply by ten shells to every shell fired against them, and in another case he threatened to "send air squadrons to bomb their cities."

What's goiong on? Two republics of the former USSR feel they are almost in a state of war with Russia. Can this be considered a good policy?

So far no one has proposed a realistic peace settlement for Ossetia or the Dniester Republic. The several months of fighting with the use of heavy weapons have clearly shown what Russia must not do on any account.

One **MUST NOT** ignore the problem of Russians living in neighbouring states, consider it a secondary one and allow the nationalists to tackle it, because this endangers political stability at home.

One **MUST NOT** tackle the problems of relations with newly-born states sporadically, only during a time of aggravation, and turn them over to the President's press secretary, the Speaker of the Parliament, or the Vice President.

The Speaker **MUST NOT** seek praise from "national patriots" by embroiling Russia in conflicts with other countries.

The Vice-President **MUST NOT** behave as if he is still at the controls of an aircraft. Alexander Rutskoi has been No. 2 man in the state for quite a long time to understand that his task is not to annihilate opponents, but win them over as partners and then as friends.

The President **MUST NOT** hurriedly approve in an airport the ultimatums made by others, because the incoming information is fragmentary and contradictory and a hasty decision can prove disastrous.

One **MUST NOT** conduct political manoeuvres in the real battlefield and engage in politics without understanding what human price has to be paid for it.

One **MUST NOT** treat other states as one's own domain. Moscow finds it hard to realize that the former republics of the former USSR are absolutely independent states with which it must conduct negotiations in keeping with standards of international law.

Today Russia's foreign policy begins not from the Berlin Wall but from the Russian-Ukrainian border. The Foreign Ministry and experienced diplomats must play a leading part in the relations with other republics.

The V.I.P. **MUST NOT** declare an ultimatum to another country on his behalf, because this is interpreted as the official policy of the state and will quickly lead both countries to the brink of war.

One **MUST NOT** negotiate nuclear arms reductions, making reasonable and serious compromises abroad, and simultaneously allow Russian army units to virtually fight against Georgian and Moldovan troops, moreover on the territory of Georgia and Moldova.

One **MUST NOT** talk with a politician, with whom a common language can definitely be found and who has proved his dedication to democracy, human rights and a peaceful settlement of conflicts as if he were Saddam Hussein. It is stupid to reprimand Eduard Shevardnadze, because Russia will not have in Tbilisi a more staunch partner than he.

One **MUST NOT** follow the lead of domestic nationalists, because the neighbouring countries have their own nationalists who seem to be waiting for ultimatums in order to exert pressure on their presidents, vice presidents and speakers of parliaments.

What's going on? If the Yeltsin administration wants to survive and simultaneously protect the country against national-socialists (Communists), from one civil and several regional wars, it must demonstrate force, but not military force. It must demonstrate the ability to counter those who, voluntarily or not, push Russia towards catastrophe.

A junior partner?

In a recent issue, the US magazine *Newsweek* touched upon a problem which is of concern to many Russians nowadays, that of national pride. There is nothing novel here. Indeed, at the dawn of this century none other than Vladimir Lenin, in an essay "On the National Pride of the Great Russians," lambasted what is now termed "an empire mentality" and "a great-power complex." What he had in mind then was but the national psyche, for as far as the policy of the Soviet state was concerned, its founding father subsequently employed totally different criteria.

Though the *Newsweek* writer has scarcely read the Lenin essay, still the impression one gains is that this essay motivated the underlying idea of his article, which reduces to the following, to wit that after Yeltsin's US visit, bilateral relations have received a fresh impetus and have new vistas ahead. The question though is whether the Yeltsin administration will not be daunted by economic difficulties and chiefly by the blow struck at national pride, which *Newsweek* thinks derives from Russia's transformation from superpower status to that of the USA's junior partner.

This would seem to imply in advance that the new Russia, now embarked upon democratization and the road to a market economy, would be obliged to assume a new role upon its return to the world community, that of a junior partner of the world's sole remaining superpower, which, as *Newsweek* admits, definitely humiliates the national dignity of a people accustomed to a totally different status. One may logically ask whether this would accord with the interests of the world community generally and of the USA's national interests in particular.

Looking back, one will no doubt remember that the very concept of junior partner arose at the start of the cold war and was applied primarily to the U.K. and France. Both these great European powers emerged weakened from World War II, both shortly afterwards lost colonial empires and both sustained economic difficulties. Hence the parallel with present-day Russia would appear to beg of its own accord.

Yet it should not be forgotten that every parallel is tentative. Firstly, unlike Russia, the U.K. and France have profound cultural and economic links with the USA, with the U.K., having, furthermore, even familial, ties. Secondly, their subordination at a definite stage to U.S. leadership was dictated by the cold war when seen as the common enemy was world communism that menaced Western civilization.

Finally, the junior partner status guaranteed billions in U.S. economic aid, not only as the Marshall Plan, but also for the upkeep of NATO, plus sundry concessions in definite areas. Basically, US private investors took advantage of the economic potential of these two countries where, again unlike Russia, they were already firmly entrenched.

However, as soon as the U.K., France and other West European states for that matter, recovered, and the threat of world communism somewhat faded, first General de Gaulle challenged US leadership, next Margaret Thatcher entrenched the U.K.'s own policy and, finally, the European Community threatens to develop into a very real rival of the perennial senior partner.

Nowadays, after the end of the cold war and the USSR's disintegration, the alliance of the industrialized democratic countries has assumed a totally different dimension. Though internal competition is sharper, the machinery it has for settling differences is likewise much more efficient. It is coordinating interests and establishing a consensus, which has been so pronounced during preparations for this month's meeting of the Big Seven. For that matter could relations be different considering the economic might of Japan and reunited Germany, and the potential that Europe on its way to unity affords?

And should many of the developing countries either be viewed today as the USA's clients? Even the Philippines, its former colony, has got US bases dismantled. As for such major powers as India and Brazil, though they count with Washington's interests, they seek to make their own needs the priority and to conduct independent policies. Small wonder, many commentators say that US sanctions over the Indian deal with Russia's space agency evoked sharper protests in Delhi than in Moscow. Does this mean Moscow could become a member of the narrowing circle of Washington's junior partners? Of course, not. The world is no longer bipolar or monopolar, but multipolar. Such is the conclusion the Rome Club has drawn in its latest futurological prognostications. From the angle of such prospects each, even the largest and most influential power, stands in need today not of satellites but allies, not of junior partners, but full-fledged partners, inasmuch as inequality provokes disgruntlement and protest that can destroy what might appear the most firmly welded alliances. Indeed, the Warsaw Pact which fell apart even before the USSR's demise, conclusively demonstrates that.

Consequently, it would be in the interests of all seeking genuine cooperation with the new Russia not only to help her economically during her thorny transition to market economy and democracy, but also to render her moral support in championing national dignity, more specifically as regards human and ethnic rights, for instance in the Baltic states, and the more so, in Moldova, where so many people are gunned down nowadays. For otherwise, as *Newsweek* admits, on the crest of humiliated national dignity forces inimical to the West, akin to those that Lenin once led, may usurp power in Russia.

Dmitry Volsky

During wartime democracy doesn't fare well

The Popular Front grapples with the Karabakh problem

There is a widespread opinion in Moscow that radical anti-Armenian forces have come to power in Azerbaijan and that Baku will therefore adopt a tougher stand on Nagorny Karabakh. This opinion is wrong. First, Karabakh is almost the only issue on which there is a more or less stable consensus in the republic, and it is a delusion to suppose that the Popular Front sees it differently than the advocates of former President Mutalibov or the party now in opposition to the Front – the National Independence Party led by Etibar Mamedov. Secondly, it is, unfortunately, late to talk seriously about any policy of Baku in regard to Karabakh. The war in Nagorny Karabakh sternly dictates its laws, and any Azeri politician "chooses" today not diplomacy there, but the strategy and tactic of military operations.

The map of Karabakh and the Karabakh card

As a result of Baku's military setbacks, with the subsequent flow of refugees from Azerbaijanian villages captured by Armenian forces, Mutalibov's rating fell rapidly and he was compelled to resign.

After the fall of Khodzhaly, Shusha remained the only major town in Karabakh not captured by Armenians. The supporters of the Popular Front are convinced that Shusha was surrendered as a result of a betrayal with the aim of bringing Mutalibov back to power. As usual, they sense the "hand of Moscow," which is allegedly interested in him as a politician who favours Azerbaijan joining the Commonwealth of Independent States.

It should be admitted that the circumstances in which the ex-President easily quitted his post in March seemed suspicious. He probably hoped that Shusha would fall "with Mutalibov no longer in office" and he would then be able to revive his prestige. In Baku, people talk of a collusion with the 4th Army command, which would help the leader agreeable to Russia to recapture the town should he stay in power.

One thing is indisputable. The former President, accused by the opposition of pursuing an anti-national policy, was forced to undertake in Karabakh one full-scale attack after another, and these attacks were certain to end in a failure, because they had not been prepared and did not have logistic support. Will the new President continue along the same lines?

In a way, Abulfaz Elchibei, who swore loyalty to the Azerbaijanian people on June 16, is in a more advantageous position than his predecessor. He is unlikely to be subjected to pressure from the opposition within the next few months, and hence there was no need for him to demonstrate his patriotism by launching fierce attacks doomed to failure. In addition, the low combat power of Azeri armed forces is largely explained by the lack of a united command. The riot police was under the Interior Ministry's control, while various para-military units were not subordinate to anyone. After the Popular Front leader received his mandate from the people, the active process of establishing one-man command began in the Azeri army.

The Popular Front and the new President need at least a little military success. The Azerbaijanians regard the loss of Shusha as a national disaster. Voting for Elchibei, many of them hoped that he would be able to liberate Shusha. However, it will hardly be possible to recapture the town soon, because it represents a strong fortress. Hence the talk about a betrayal. It was alleged that Armenian forces would not be able to occupy Shusha by themselves. The shelling of Kazakh and Agdam continues, and there is no end to the flow of refugees. These factors evidently influenced the decision to undertake the latest attack.

Furthermore, Baku is in a hurry to establish its authority on the largest possible territory of the republic. It expects the world to stigmatize Armenia as an aggressor and reaffirm the principle of the inviolability of frontiers.

The strongest argument in favour of recognizing the Nagorny Karabakh Republic is the statement that Azerbaijan does not exercise control over its territory de facto. This prompts Baku to establish as quickly as possible its military control on the largest possible territory, even without a guarantee of retaining the captured area. The Shaumyan District, where the Azerbaijanian offensive began on June 14, does not seem important from the military-strategic point of view. Today it is a disputable territory previously under the control of the Karabakh authorities. There was the Armenian population there before the war. The territory, however, was not part of the Nagorny Karabakh Autonomous Region. It became part of the newly proclaimed Nagorny Karabakh Republic.

Azerbaijan's foreign policy orientations

During the election campaign and in the interviews given after the election, Abulfaz Elchibei explained on what he linked his hopes for a settlement of the Karabakh crisis. The world community, he said, will understand what country is an aggressor and will denounce it. Simultaneously, Azerbaijan's defence potential should be strengthened. World pressure and the impossibility to fight against a stronger Azerbaijan will compel Armenia to begin negotiations. Azerbaijan intends to state at negotiations that the borders are not subject to revision. The Armenian population of Azerbaijan will enjoy broad cultural autonomy and all legal guarantees.

Elchibei did not reply to the question by a leader of the opposition Social Democratic Party whether he is prepared to offer one or another status (autonomous region or republic) to Nagorny Karabakh. In Baku, only the Social Democrats today openly admit that there is no avoiding the question of status and that in the present situation a return to the "zero variant" – autonomous region – is the optimal way out for Baku.

Incidentally, there's not much hope that negotiations can be started soon, for Yerevan insists on the recognition of the Nagorny Karabakh Republic as an independent state.

The Azerbaijanian Foreign Ministry resolutely demands the withdrawal of all Russian troops from Transcaucasia. Leila Yunusova, head of the Defence Ministry's Information Analytical Centre (and future First Deputy Foreign Minister), is sure that Azeri troops suffered defeats not from Armenians, but from the Russia's army and weapons. The Foreign Ministry believes that Russia continues the great-power policy of aggravating the conflict and arms both sides, but more readily the Armenian, because independent Azerbaijan represents a real threat to Russian influence in Transcaucasia.

The withdrawal of Russian troops, I was told in Baku, will quickly reveal Armenia's

inability to counter Azerbaijan and compel Yerevan to begin negotiations. This explains Baku's explicit desire to sever relations with the Commonwealth of Independent States and its refusal to sign any agreement providing for Russia's military presence in Transcaucasia.

Judging by Yerevan's statements, it is convinced that Russia helps Azerbaijan.

Azerbaijan's foreign policy orientation on Turkey was predetermined before the presidential election. All more or less influential political forces in the republic are pro-Turkish. However, while the People's Democratic Party emphasizes ethnic affinity between Azerbaijanians and Turks, the Popular Front leader Abulfaz Elchibei points to Turkey's role as a representative of Western civilization. Of course, Turkey is also regarded as a potential military ally. Politicians close to the Foreign Ministry talk about the desirability of Azerbaijan joining NATO. Moreover, the government believes that the raw material base of the republic makes it "open" economically, and that close ties with the West are favourable, offering Azerbaijan good chances for future development in Europe.

The worsening of relations between Azerbaijan and Iran became noticeable already under Mutalibov. It is explained by what Baku regards as Teheran's pro-Armenian interference in the Karabakh conflict. The relations between the two countries will apparently continue to worsen under the new President too.

After his election, Elchibei made several harsh remarks about Iran, and for this he was labelled a "Zionist" in the Iranian press. His desire to expand relations with Israel surprised many observers. Elchibei had in mind the adoption of its experience in the building and modernization of a national state. On the whole, the President's obvious foreign policy orientation on the West evokes a favourable response in Azerbaijan.

Power without charisma

The Popular Front and the President proclaimed that democracy is one of the basic values of society. The opposition, both from the right (Social Democrats) and the left (Etibar Mamedov's advocates), accuses Elchibei of pushing Azerbaijan towards dictatorship. It claims that the republic virtually lives under a state of emergency regime. Furthermore, some newspapers question the voting results and hence the lawfulness of the Popular Front government.

International observers admit that minor irregularities took place during the election. However, they could not seriously influence the voting results. "Our people have elected him," the Social Democratic leader Zardusht Ali-zade says. Most of those who went to the polls (59 percent) cast their votes for Elchibei. Nevertheless, it is less than half the population of the republic. As distinct from the presidential elections in perhaps all other republics of the former USSR, Elchibei's victory is not very much connected with his charisma.

According to the estimates of experts, at least half the people who voted for the new President elected not him, but rather the Popular Front. It is also significant that only one of Elchibei's six rivals unexpectedly created a serious challenge to him. It was Nizami Suleimanov, who did not represent any party and promised to solve the Karabakh and food problems within three months. The 38 percent of the votes cast for the arrant demagogue can evidently mean only one thing: Nizami attracted all the votes cast against Elchibei. The representatives of political parties, including the pro-Mutalibov candidate Yagub Mamedov, polled a negligible part of the vote.

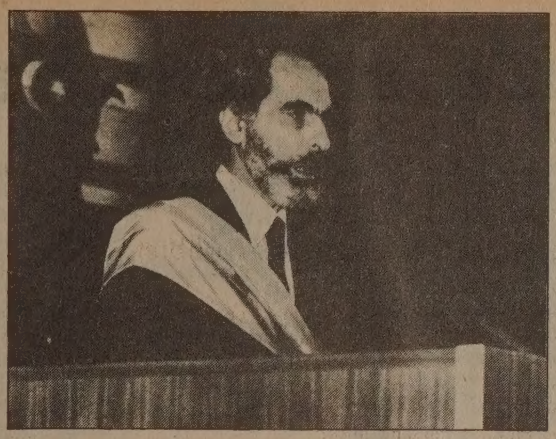
In these circumstances, the national unity policy, proclaimed by the Popular Front, seems the only one possible. Rakhim Gaziev, an advocate of Mamedov, remains the Defence Minister. Many others, who previously supported Mutalibov and did not declare their anti-Front position on the day when the ex-President attempted to return to power, have also retained their leading posts. The Popular Front has adopted many ideas and slogans of the opposition party, the Social Democrats, including the slogan of national reconciliation.

Thorough check-ups of cars in Baku and some other cities (every police patrol stops cars in search of arms that can be hidden in their luggage compartments) have apparently given grounds for the opposition to talk about a de facto state of emergency. At the same time, there are no restrictions on human rights inevitable under a state of emergency. All newspapers continue to be printed, and only downright provocateurs have been arrested. Among them are several state security officers who opened fire on the Popular Front building when a meeting with representatives of the Russian community in Baku was being held there.

Those who know Elchibei give quite different assessments of him, ranging from "a disgrace to the nation" to "Azerbaijan can be proud of him," from "a narrow-minded mediocrity" to "a profound and brilliant intellect," and from "a fanatical nationalist" to "a man entirely free of nationalistic views."

So far there are no grounds to regard Elchibei's coming to power as a prelude to dictatorship. There is no charisma and no prospect of establishing strong one-party rule. True, it should be remembered that democracy hardly fares well during a protracted war. "If the democratic way of reforms fails in our republic, other people will come, and they will chose another way," says Niyazi Ibragimov, the President's press secretary.

Galina Kovalskaya,
our special correspondent
BAKU – MOSCOW



Abulfaz Elchibei, Orientalist, born in Nakhichevan, knows Turkish, Arabic and Farsi, speaks Russian with a heavy accent and not fluently. He worked for two years in Egypt, but did not earn enough money even for a flat in Baku. He had domicile registration in a hostel, and until the election victory lived in the small flat of his brother.

In 1974 and 1975, Elchibei was in prison for his political beliefs. In 1988, when the national movement began in Azerbaijan, he was a member of the Varlyg (Existence) group together with Isa Gambarov, now Chairman of the Parliament, and Neimet Panakhov, once very popular and now almost forgotten populist leader.

After the Popular Front was set up, Abulfaz affiliated with the "radicals" (Panakhov and Mamedov), that is, those for whom national slogans were more important than general democracy. After the most consistent "liberals" (Yunusova and Alizade) left the Front in early 1990, Elchibei markedly shifted in the "liberal" direction. Recently he broke with the "radicals," who formed their own party.

Russia's second baptism

"Whither, Russia?" asked the Russian writer Gogol. Indeed whither? It is said that a nation ignorant of its history has no future. Equally true is that a nation which has lost its path and which doesn't know where to go is not, properly speaking, a historical nation, because it has lost its traditions and hope for the future.

It has become customary now to describe the entire 20th century as an incessant sequence of revolutions, acts of violence and civil wars which makes one believe that it was a "lost century" to Russia. It seems though that it's not the century that's lost but the measure and criteria for judgement of our contemporary history. The heavy burden of this century's dramatic political events together with the uncertainty of our present critical political existence, prevent us from making a transition from a politicized history of Russian statehood towards a more objective and unbiassed analysis of a certain overall tradition in Russian society's formation.

Will the liberal idea defeat pagan slavery?

Epochs and revolutionary stages

Is it possible to prognosticate a nation's future if its history is described as a series of regicides, palace coups, civil wars and revolutions and is each time written anew after every power change and ideological rewriting? Today we still remain captives of current events and, when asked "Whither, Russia?" answer: "From totalitarian socialism to democracy and the free market," regarding this transition as another revolutionary leap, as another radically new path for Russia to follow. Evidently, later we'll have to rewrite our history again; the trouble is – where are the criteria?

Our domestic historians are really at confusion. It was so easy, clear and convenient to pass judgements on Russia's past and future proceeding from "Marxist teaching" in the context of the "objective course of development for socio-economic systems." They had at least a real measure-stick to assess historical events, yet the fog of illusions was dispelled, suddenly leaving us unable to get our historical bearings.

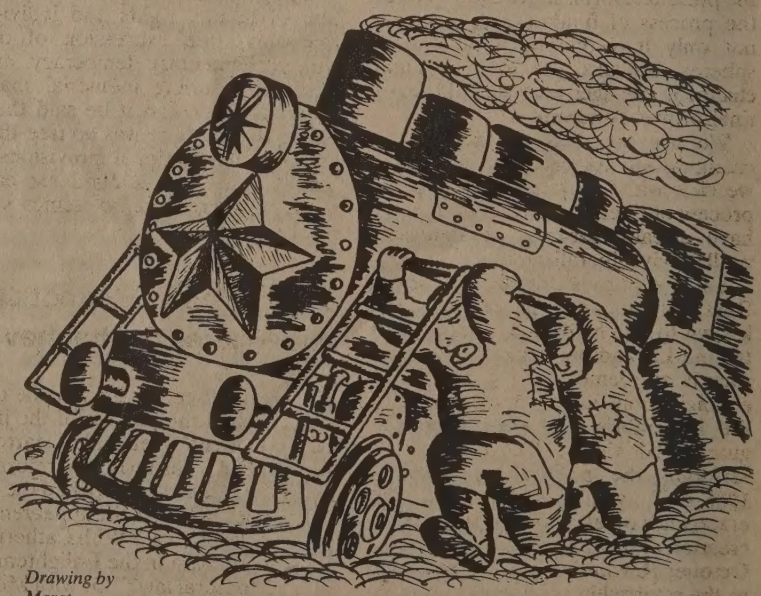
We not only were deprived of being able to make broad sociological generalizations, we even got entangled in extremely narrow politicized disputes: what would have happened if Alexander III or Nicholas II had not been assassinated, or if we had managed to avoid the Bolshevik revolution, or if Stalin hadn't turned out to be a schizophrenic and Gorbachev, a "spineless intellectual?"

The "masters of thought" (not all of them, of course) have rejected Marxism and, having failed to find a proper substitute for it, are engrossed in unworthy empyricism and positivism resulting in hundreds of fabricated versions of Russian history circulating through schools and universities. It's no surprise, therefore, that Russian history is seen by the young as an amorphous (yet "pluralistic") kaleidoscope of faces and events. Faces replace one another and events multiply. Young people view as the best philosophers and specialists in history not professionals but those who manage to present these faces and events in the most picturesque way – writers and journalists.

We used to raise more or less significant political events to the status of "epoch-making" ones. Breaking the whole of modern and contemporary Russian history into a number of "epochs" and "revolutionary stages," we overshadow the real "turning point" events of our history which could have bearing on the future.

We've survived communism; will we survive liberalism?

The Marxian model of the succession of socio-economic formations made, I dare repeat, life



Drawing by Marat Tairov

easy and comfortable: material existence and class interests determine consciousness and the course of historical changes. Yet, although historians spared no effort to adjust this model to the need of explaining Russia's history, it didn't work.

Perhaps Russia's history will be easier to understand when viewed not from the position of the material, economic factor, but when attention is paid to the fundamental role played in this history by psychological and ideological factors – faith, will and ideas. If Russia's history in the expiring millenium is viewed from these positions, then the real "turning point" events in it would be the period of its baptism and the period of its adoption of the liberal ideas novel to it; thanks to the first, Russia became a unitary state, and thanks to the second, a civilized country.

That the adoption of Christianity by Russia was an epoch-making historical event can hardly be objected. Can we regard the adoption of the liberal idea as equally epoch-making and "critical"? The process of liberalization is still under way, it's not yet clear when it will be completed and what will come of it. It's easy to have a global opinion of the days of yore, but it's much more difficult to form an all-embracing perspective about processes which are just now taking place in front of our eyes. How can we better understand the present reforms in Russia as part of the process of fundamental changes, not only in economic and political spheres, but also part of a cardinal change in the ages-long way of life, of time-proven basic values?

We are so tired of successively changing ideological signboards that we view with indifference the present process of liberalization in Russia: we have already survived communism, we'll survive liberalism, too.

Yet the present liberal reforms in Russia are not anything novel and unknown to it. The present transition to the market and parliamentary democracy is an element in the process of emancipation, as was the struggle of the Decembrists for constitutionally guaranteed rights, the abolition of serfdom, the political upsurges of 1905-1907 which resulted in the emergence of legislative power and the creation of the State Duma, as was the October Revolution of 1917 which led to the establishing of Soviet power, as was the overthrow of Communist totalitarianism and the introduction of

Drawing by Valentin Mokievsky

freedom of speech, of the press and of real freedom of conscience.

If liberalism is understood as a system of values which includes freedom of thought and self-expression, protection of human rights and individual freedoms, free expression of one's will, parliamentary democracy, and a freely functioning industrial market economy, then can it be said that in tsarist Russia there was no free-thinking, no constitutional provisions for human rights, and that under so-called socialism there were no elements of a market economy?

The merits of Alexander II and Mikhail Gorbachev

It's more difficult to answer the question of when the process of the introduction of the liberal idea started in Russia. Did it start with the reforms of Peter the Great who "opened the door to Europe"? Or with the appearence of first secular schools? With Catherine II showing interest in the Enlightenment idea of "natural law?" Or with Mikhail Speransky's liberal projects aimed at creating a constitutional monarchy? Historians will probably clear up the matter one day.

It's important for us to understand that the liberal idea, liberalism as a system of values and a way of life was adopted in Russia and that modern and contemporary Russian history, directed by the will of the ruling forces, marched ahead largely along indirect paths through ideological controversies and bloodshes, towards the eradication of slavery by suppressing the "national character" (often by "slavish" methods) and by broadening individual rights and freedoms.

Certainly, those who are able to understand a phenomenon only in its finished, mature, pure and complete form will hardly be able to see the painfully actualized idea of freedom in Russian history. Suffice it to remember how painful Russia's path was towards the abolition of serfdom or towards the present *glasnost* (largely to the personal merits of Alexander II and Mikhail Gorbachev).

The liberal idea couldn't have been realized in its pure form in Russia, and it is unlikely to be realized that way in the future, because Russia has lived and continues to live its own life on its own national, social and state soil in far from "laboratory-perfect conditions."

And here a parallel between the adoption of the liberal idea and liberalism in Russia and the adoption of Cristianity by Russia seems proper.

Both Christianity and liberalism came to Russia from the West (the former through Byzantium and the latter mainly through Protestant Europe), both underwent and still continue to undergo considerable national, ethnic and socio-cultural transformations. These latter adaptations not infrequently turned out to be so considerable with the absorbtion of so many Russian "heresies," that the classical Western "teachers" from whom Russia borrowed the Christian faith and the liberal idea refused to list her among their "disciples."

In the process of adopting both the Christian Faith and liberalism in Russia there often appeared "pagan" or "slavish" rejections of the new faith or the new idea, accompanied by dramatic and tragic collisions between the new and the old, not infrequently turning into national feuds or campaigns of struggle against Western influence. The national-patriotic idea of Russia's "special path" not infrequently clashed

with universal Christian values and the values of liberalism.

The position of syncretism became dominant in Russia in spite of all the tribulations of their struggle, in spite of the resistance and the opposition of pagan traditions to Christianity and of "slavish" traditions to liberalism. On the one hand, this found expression in the existence of pagan-Christian popular beliefs, on the other, the idea of slavery has "organically" coexisted with the idea of freedom up to this day.

Not freedom of force but the force of freedom

Although the Christian Faith and the liberal idea came to Russia from the West, we perceive them as our own values. This is explained by the fact that they were not imposed by force and that the initiative to adopt them came from our leaders, from our rules to subsequently be disseminated among the masses.

If the Baptism had been the result of political coercion by Rome or Byzantium, and the creation of the first liberal projects of the Constitution under Alexander I had been imposed as a result of ideological expansionism on the part of, say, France or Britain, they couldn't have been accepted by society and would have been considered alien. Nor has *perestroika* and the present economic reforms been imposed on us by the West, but they have appeared as the result of realizing by the Communist leaders the hopelessness of centralized planning and total ideological and political control. Russia has never tolerated nor will it ever tolerate pressure by force or foreign ideological dictates.

Both Christianity and liberalism, each in its way, have played an outstanding national and centralizing role in the formation of the unitary ancient Russian nation, or the contemporary unitary Russia. The Christian Faith furnished the basis for the struggle against tribal isolationism and ethnic particularism, while the liberal idea has served and, hopefully, will serve in the future as an antidote against the imperial desire of the ruling circles to impose by force the image of a centralized, unitarian and indivisible Russia upon Russia's polyethnic peoples. Not freedom of force, but the force of freedom is what can guarantee Russia against possible dangers of disintegration.

The lengthy, evolutionary and not explosively revolutionary character of the adoption of the Christian Faith and of the liberal idea, their gradual ripening in the ruling circles first followed by their gradual and careful immersion into day-to-day life till they become a matter of life-style, helped Christianity, and the Orthodox Christian Faith in particular (not only as a religion or an ideology, but also as a culture), take its place among Russian values and become a part of the Russian way of life, in spite of the attempts to restore the old values and habitudes and the opposition on the part of the very institutions they created, in particular the Church and the state.

The Baptism of Russia under prince Vladimir had been prepared by more than a century-long absorbtion of Christian ideology by Russia, and a few more centuries were needed for Christianity to be accepted by the entire Russian society.

The present reforms in Russia have been endured by her at least two-century-long history. A considerable time will be needed yet for liberalism to be assimilated by all of society. Russian Orthodoxy hasn't ceased to be part of the Christian world, and Russian liberalism has been and always will be part of the world's liberal politics and culture.

The country with a double belief system

What lessons can be gained from this?

First, Russia's modern and contemporary history presents itself as a unitary one, in spite of deviations and reverse motions under the pressure of conservative and reactionary forces, which were sufficiently numerous both in tsarist and Soviet Russia. As for the crisis in the system, it began in Russia not early in the 20th century, but at least a century before and embraced socio-economic, social, cultural, ideological and political foundations of traditional society. This crisis has not yet been overcome to this day. The unity of Russian history in recent centuries, supported by Russia's special path to the realization of the idea of freedom, should convince – and to some extent reconcile, both the right and the left, "communists" and "democrats" – of the necessity to cherish **our** historical heritage, to see it not only in terms of periods of darkness, but also as a line of, on the whole, uninterrupted evolution towards freedom, in order to finally stop breaking our past into pieces for ideological reasons.

Second, we must stop ideologizing the problem as "West – Russia" and assume the path of reconciliation between contemporary patriotic Slavophiles and patriotic Westernizers. As demonstrated by historical experience, for all the West-European (today American) influence on Russia, the latter will still long be a country with a double-belief system which doesn't submissively adjust itself to, or quietly contemplate, a new faith or a new idea, but which independently absorbs them as organic elements of its own material, socio-political and spiritual life.

It's precisely this organic combination of the national and foreign and not, as is the case with some other countries, their mere juxtaposition, which makes Russia unique and attractive to the whole world. Foreign ideas and values are not imported to Russia, but "grafted" onto its ethno-national and socio-cultural soil.

We should not forget that Russia is a Eurasian country which has absorbed material and spiritual values of not only the West, but also of the East. The very Byzantine origin of Russian Orthodoxy speaks for itself.

Russia shouldn't dread the terrible and mythological "confrontation of the two worlds," provided her liberalism becomes sufficiently wide to incorporate values of not only Christian, but non-Christian, particularly Muslim, peoples living in the country as well as abroad.

Liberalism is not eternal nor is it free from drawbacks and, as the experience of contemporary post-industrial societies shows, it always strives to go beyond its legitimate boundaries, coming in conflict with national traditions and the very human nature. This is why it is so important for every ethnic entity in Russia and every citizen to have the sovereign right to choose which values of the liberal world he or she can accept and which are to be rejected.

The Christian faith and the liberal idea have more than once come in conflict with each other, both in world as well as national history by virtue of fundamentally different orientations toward sacred and earthly values. In Russian history, this difference has been more than once aggravated by the rejection, on the part of liberal circles, of the activity of the Russian Orthodox Church as an ally of conservative regimes, while the Church often looked upon the influence of Western civilization as "harmful" to Russia. It remains a fact nevertheless, that both systems of values have not only coexisted for a long time, but they have also mutually enriched each other. As it seems, the implementation of the present liberal reforms will contribute to a futher rapprochement of the two value systems.

Yury Furmanov

THIS WEEK

President Yeltsin had quite a busy schedule last week. On returning from the United States and Canada, he flew to Dagomys. The main event at this health resort, near Sochi, was his meeting with Ukrainian President Leonid Kravchuk. The results can perhaps be compared with the outcome of the American visit. The main achievement of the meeting was that it removed tension between the two largest states of the Commonwealth. The two presidents signed an agreement embracing a wide range of bilateral relations, including open borders and free and non-visa travel of citizens. They also removed the painful issue of the fate of the Black Sea Fleet. Naval forces of Russia and Ukraine are to be formed from it. Marked progress was achieved in the sphere of economic cooperation. However, the Crimean problem was left unsolved.

* * *

In Dagomys, President Yeltsin also met with Eduard Shevardnadze, Chairman of Georgia's State Council. The Ossetian-Georgian conflict was discussed. The talks were preceded by a dramatic event in Tbilisi. Armed supporters of former president Zviad Gamsakhurdia had captured the television and radio building. Their aim was to disrupt Shevardnadze's trip to Dagomys and hinder an agreement on measures to defuse the conflict. The Zviadists only managed to delay Shevardnadze's departure for several hours. The Radio and Television Centre was retaken and the Zviadists' leader arrested. The meeting of the Georgian and Russian leaders has brought results. The question is whether the agreements reached in Dagomys will help to settle the conflict. The prospects for the course of developments in the political situation of Georgia are not clear. The new government institutions remain extremely unstable.

* * *

From Dagomys, Yeltsin flew to Istanbul, where representatives of 11 Black Sea countries met to discuss Turkish President Turgut Ozal's idea of establishing a zone of economic cooperation. A document consisting of 18 articles was signed at the end of the meeting. It contains mutual commitments to gradually lift restrictions on the movement of capital, goods and people. The 11 countries decided to set up a common investment and foreign trade bank for the entire region.

* * *

It appears that the old aphorism "agreements are concluded in order to observe them" is not followed in Moldova. Each ceasefire agreement between Kishinev and Tiraspol is followed by a new outbreak of violence. Bendery, Dubossary and other cities on the left bank of the Dniester are subjected to heavy shelling. Moldovan troops are also shelling the Dubossary hydroelectric power station. The flow of refugees from the Dniester Republic to Ukraine and Russia is growing. The "ceasefire with shelling" seems to be dragging out.

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The idea of autonomy of the Dniester Republic as part of the federation of Moldova is abandoned. The parliament of the Dniester Republic has decided to seek the status of "an independent sovereign state." The divorce between Tiraspol and Kishinev promises to be long and painful.

* * *

The summit meeting of the Commonwealth of Independent States in Minsk demonstrated that the Commonwealth can live up to its name. Even the most difficult issues were discussed quickly and easily. The member countries reached agreements on control over the export of dangerous technologies, protection of the interests of countries in the ruble zone in case some members introduce their own national currencies, cooperation in the field of public health care, higher tariffs in interstate cargo and passenger transportation. The results of the meeting seem to have been favourably influenced by a gratifying event which took place several days before it – the signing of documents on the establishment of diplomatic relations between Russia and Belorus.

* * *

Valery Zorkin, chairman of the Constitutional Court of the Russian Federation

Photo by Alexei Kudenko

The Constitutional Court's statement about the threat to the state system of Russia, legality and law and order in the republic, sounded like an alarm bell. It is particularly concerned with the danger posed to the integrity of the state by separatists and the attempts to revive the previous centralized bureaucratic state system. The Constitutional Court called upon all opposed political forces to realize the gravity of the present situation and demonstrate a sense of responsibility for the fate of their homeland. The court pointed out that the violation of the rights of citizens in the process of privatization of state property has an extremely adverse effect on the material and spiritual life of the people.

The court has reserved its right to consider cases of high officials who have not lived up to their constitutional responsibility should they fail to fulfil their duty in defending the system. The statement was made at an opportune moment, at a time when the situation in Russia has sharply deteriorated.

* * *

"Buy jeans in our shop if you want to imagine yourself Michael Douglas or Arnold Schwarzenegger," says an ad over the counter in a Yekaterinburg shop. The shop assistants claim that they sell jeans from all the famous companies of the United States, Italy, Poland and Hong Kong. They were worn by American actors when they starred in films. According to shop assistants, after thermal treatment jeans are delivered to the shop by a Hollywood film company.

The Exarch vs. the Patriarch

Religious discord in Ukraine has always been provoked by politicians

It was so several centuries ago, when an attempt was made there to unite Roman Catholics with the Orthodox under the aegis of the Holy See of Rome. It was so when a break in the union was attempted in this century. The union was imposed by King Sigismund III of Poland, an attempt to break it was made by Joseph Stalin.

Only a few years ago the conditions for the restoring of freedom of conscience were created, but, as should have been expected, this process turned out to be extremely difficult and painful. The dispute over the ownership of churches in Ukraine still divides the Orthodox believers and Catholics, while the threat of a new conflict is already discernible.

Defrocked

Metropolitan Filaret (in the world, Mikhail Antonovich Denisenko), until recently the Head of the Ukrainian Orthodox Church (as part of the Russian Orthodox Church), ceased to obey church authorities and declared that he would henceforth regard himself as equal to the Patriarch of Moscow and All Russia Alexii II.

Filaret demanded immediate recognition of autocephaly (independence) for the Ukrainian Orthodox Church and refused to observe the canonical procedure of assuming a new status by a local church. Actually all Ukrainian Orthodox bishops dissociated from him. Filaret swore before a cross and Gospels that he would retire, but "changed his mind" later and headed the schism.

The Bishops' Council of the Russian Orthodox Church which convened on June 11 in Moscow as the Church Court resolved to "defrock Metropolitan Filaret and deprive him of all orders and rights ensuing from his clerical status."

Precisely two years ago, during the elections of the Patriarch of All Russia, Metropolitan Filaret was one of the main contenders for the highest post and, according to some participants of the elections, won many votes in the first round.

However, it would be hardly correct to reduce everything to the former Metropolitan's personal dislikes and envy of the present Patriarch. The interest of state structures in matters they used to consider their own is discernible in the recent conflict, which was so not only under Soviet power, but long before the October revolution.

Take, for instance, the impudence with which Emperor Peter the Great decided who should rule the Russian Church and how. This monarch, called "a Bolshevik on the throne" by Nikolai Berdyayev, came to the conclusion that the Patriarch was a "superfluous" figure in the Church which should be replaced by a collective body subordinate to the state. Such a body (The Most Holy Ruling Synod) was created and existed for two centuries – from 1721 till the restoration of patriarchate after the fall of monarchy in 1917.

Metropolitan Filaret changed his mind as to "resign" and decided to head the schism

The changes connected with Gorbachev's name considerably improved the situation in Moscow, while in the periphery of the Soviet empire the tone was set by ideologists of the Bolshevik brand.

Secretly from the Church, but not from the Party Central Committee

In the recent years, anti-religious propaganda in Ukraine was directed by Leonid Kravchuk, the head of the Ukranian Communist Party Central Committee Ideological Department.

The Cathedral of St. Sophia in Kiev

It is believed that the Metropolitan of Kiev and All Ukraine was obedient to the state and party authorities beyond measure. The Holy Father is said to have been "caught" having a private life. As a monk, this church hierarch is not allowed to marry. However, if we are to believe some assertions, he secretly maintained a wife and children. He could conceal it form the Church, but not from the Party Central Committee or the KGB...

Certain Ukrainian politicians have a stake in nationalism which includes also religious separatism for Ukraine. Leonid Kravchuk preserved the Council for Religious Matters, in which key positions have always been occupied by KGB men. He sent the Patriarch of Moscow and All Russia a letter in which he explained to the latter how to rule the Church of Christ.

The sentiment in favour of autocephaly is rather strong in the western regions of Ukraine, but it is much weaker in the country's central regions and practically absent in the east.

After the Kiev Rus had been baptized in 988, the first metropolitan (Greek by birth) arrived in Kiev from Constantinople, while bishops subordinate to the Patriarch of Constantinople appeared in the country's other large cities. Three centuries later Metropolitan Kirill II transferred its cathedra from Kiev to Vladimir, and in 1325 Moscow became the centre of the metropolitanate.

The restored Kiev cathedra, as well as the Moscow metropolitanate, long remained under the jurisdiction of Constantinople, but at a certain moment it was taken over by the Uniates, adherents to the Pope of Rome. The Union with Catholicism coincided with the conquest of Ukraine by neighbouring Poland.

In 1589, the Moscow metropolitanate was proclaimed an independent patriarchate, which was done with the blessing of other Eastern patriarchs, and a hundred years later, again at the consent of the Patriarchs of Constantinople and Jerusalem, the cathedra of the Kiev metropolitanate was resubordinated to the Patriarch of the Russian Orthodox Church.

A number of attempts were made to declare autocephaly of the Ukrainian Orthodox Church in a matter-of-fact manner, disregarding the canonical law.

The first of them belongs to the period of the civil war of 1918-1920; the second, to the period of the occupation of Ukraine by Nazi troops, and the third, to 1989, when the former bishop of Zhitomir, Ioann, decided to "rebel" against the Patriarch of Moscow and the then Metropolitan Filaret, as the Patriarchal Exarch of Ukraine, at a time. So far such attempts have been futile.

The last schismatic bishop Ioann repented. None of schismatics were recognized by local churches which made the universal ecumenic family of the contemporary Orthodoxy.

Patriarch Alexii II: "The canonical law should be observed."

In October 1990, the Sobor (Assembly) of the Russian Orthodox Church granted the Ukrainian Church independence in making decisions on its internal matters, without, however, granting it complete autocephaly. The Sobor was prepared to grant it provided "such will be the clearly expressed desire of the majority of believers and clerics of Ukraine, and not only of individual priests."

A Ukrainian colonel vs. the Moscow Orthodoxy

On May 26, Filaret gathered his followers in Kiev, calling this get-together the All-Ukrainian Conference for the Protection of the Canonical Rights of the Ukrainian Orthodox Church. However, the conference was attended by **not a single** bishop.

A canonically irreproachable Bishops' Council took place on May 27-28 in Kharkov. Eighteen archclergymen passed a vote of no-confidence in Metropolitan Filaret, dismissed him from the Kiev Cathedra and brought him, as a perjurer, before the Church Court made up of all bishops of All Russian Orthodox Church. At the same time, the supreme church hierarchs of Ukraine's Orthodoxy held elections of a new head of the Church. Three candidates were suggested, the majority ballot (16 out of 18 votes) was in favour of Metropolitan Vladimir who formerly headed the Rostov and Novocherkassk Cathedra. Patriarch Alexii approved this decision.

Filaret said in his open letter published in the newspaper *Golos Ukrainy* (The Voice of Ukraine): "I request Your Holiness and the Holy Synod of the Russian Orthodox Church not to interfere with our domestic affairs and give the Ukrkainian Orthodox Church the possibility to independently solve its own problems." The letter read further: "The meeting of the Ukrainian bishops in Kharkov on May 27 this year which called itself a Sobor and elected Metropolitan of Rostov and Novocherkassk Vladimir as its head is illegal and has no canonical significance for the Ukrainian Orthodox Church."

The Council for Religious Matters of the Ukrainian Cabinet of Ministers declared that "both the convention of the Kharkov Sobor and the adoption thereby of the resolution concerning the head of the Ukrainian Orthodox Church is contrary to Church rules."

The Command of the Ukrainian Army didn't fail to comment on the Church's internal affairs either. The head of the socio-psychological service of the Armed Forces (former CPSU propaganda service in the army), Colonel Vladimir Mulyava was outspoken as befits men with shoulder straps: "The Ukrainian Autocephalic Orthodox Church is the expression of the resolute will of the Ukrainian people to finally liberate itself from the imperial Orthodox Church which is an instrument of spiritual oppression against the Ukrainian people, aiming at its complete Russification and enslavement. The Muscovite Orthodoxy has become the tomb of Ukrainian independence and the reason for the weakening of spirituality of the Ukrainian people. Warriors of the Ukrainian Armed Forces, as well as all the Ukrainians hope and believe that things have not been reduced to the change of the ROC for the UOC alone..."

Metropolitan Vladimir doesn't rule out the possibility for Ukrainian autocephaly. He said, however, that he did not intend to violate Church canonical law or declare a war on the "Moscovites."

Anatoly Krasikov

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DOSSIER

INSTRUCTION ON TAXATION OF PROFITS AND INCOMES OF FOREIGN LEGAL ENTITIES

This Instruction shall govern the procedure for taxation of profits and incomes of foreign legal entities in the USSR. Profits (incomes) tax shall be levied on the basis of the Law of the USSR on Taxes from Enterprises, Associations and Organizations of June 14, 1990.

I. GENERAL PROVISIONS

1. Payers of profits tax shall be any foreign organizations registered abroad and recognized, for the purposes of taxation, as foreign legal entities under the legislation of the country of their permanent residence (hereinafter referred to as "foreign legal entities") transacting business on the territory of the USSR, on its continental shelf, and in the economic zone of the USSR through their permanent representations. Payers of tax on incomes from sources in the USSR shall be foreign legal entities drawing incomes not related to activity in the USSR through a permanent representation.

2. The provisions of this Instruction shall not apply to personal companies, whose owners' incomes shall be liable to tax in the amount and in the manner stipulated by the USSR Ministry of Finance Instruction No. 833 of June 25, 1990, "On the Procedure for Applying the USSR Incomes Tax on USSR Citizens, Foreign Citizens and Stateless Persons Act."

A foreign physical person having full ownership of any economic unit whose incomes in the country of its permanent residence (registration) are liable to a tax other than corporate profits tax or other similar tax shall be deemed the owner of a personal company.

3. The amount and procedure of taxation of foreign legal entities drawing incomes from sources in the USSR depend on whether they conduct their activity in the USSR through a permanent representation or whether these incomes are not related to activity in the USSR.

4. Incomes received by foreign legal entities from casinos, videotheques, the operation of gaming machines, and the staging of mass concerts and entertainment shall be liable to tax at the rates and in the amounts stipulated by the respective USSR Ministry of Finance Instruction No. 111 of September 5, 1990, and shall not be taken into account in the assessment of tax on the profits (incomes – in the event of receipt of incomes not related to activity in the USSR) of foreign legal entities.

II. TAX ON FOREIGN LEGAL ENTITIES' PROFITS FROM THEIR ACTIVITY IN THE USSR

5. Foreign legal entities conducting activity in the USSR through a permanent representation (irrespective of the provisions of international treaties) shall have the duty to register with the tax agency at the place where the permanent representation is located, regardless of whether or not their activity is subsequently recognized as liable to taxation in the USSR in accordance with the provisions of this Instruction and international treaties.

Foreign legal entities, both accredited and not accredited in the USSR, who started their activity in the USSR through a permanent representation prior to the enactment of the USSR Taxes on Enterprises, Associations and Organizations Act of 1990 shall have the duty to register their representations with the local tax agencies prior to January 1, 1992.

The registration procedure shall be determined by the USSR Ministry of Finance instruction on the procedure for registering payers of taxes and other payments into the budget.

Lack of registration shall be regarded as tax evasion for concealment of incomes.

6. Permanent representation of a foreign legal entity in the USSR shall be understood as a bureau, office, agency or any other place for conducting regular activity (involving representation of own interests or the interests of other legal entities, development of natural resources, building works under contract, installation, mounting, assembly, setup and servicing of equipment, operation of gaming machines, and other types of activity) conducive to origination of income in the USSR or abroad, and also organizations and physical persons systematically representing the foreign legal entity's business interests on USSR territory, with the exception of the cases indicated in Clause 9 of this Instruction.

7. Tax on the foreign legal entity's profits shall be assessed by the tax agency at the place where the said person's permanent representation is located.

8. For the purposes of taxation, no significance shall be attached to whether or not permits are at hand for the opening of foreign legal entities' representations in the USSR or extension of the time of their activity (accreditation).

Where a foreign legal entity conducts activity not on his own, but through a broking agency, such activity by the broking agency does not entail the formation of a permanent representation of the first-named person.

10. Where a foreign legal entity, a participator in a joint venture with foreign investments, apart from performing the duties written into the joint-venture founding documents and performed by the foreign legal entity in the name of the joint venture, also conducts other activity in the USSR in his own name (in favour of the joint venture, of other legal entity or in his own favour) through a permanent place of activity, he shall also be liable to profits tax. For instance, the activity of a foreign legal entity (who is simultaneously a participator in a joint venture with the participation of foreign capital) in the part bearing on representation by his personnel on USSR territory of the interests of third legal entities may be recognized as being conducted through a permanent representation. In this case, such a permanent representation shall be registered in accordance with generally established procedure.

11. In applying the provisions of USSR agreements with foreign states on tax matters stipulating privileges with regard to profits from building and assembly works, the following should be taken into account:

In determining the building-site time-span, the building site shall be assumed to exist, for purposes of taxation, from the moment of the signing of the act on the transfer of the site to the contractor. The signing of the protocol commissioning the facility shall mark the end of taxable activity on the building site. The building site shall not cease to exist when work on it is temporarily interrupted (as with seasonal breaks).

12. Tax shall be charged on profits consisting of proceeds from the sale of goods (work and services), other material assets, and incomes from non-sale operations less inputs directly related to activity in the USSR through a permanent

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representation, including managerial and general administrative expenses incurred both in the USSR and abroad.

The structure of the inputs taken into account in assessing profits tax shall be determined under the same procedure as that for Soviet enterprises, in conformity with the Basic Provisions on the Structure of Inputs Included in the Prime Cost of Goods (work and services), approved by the USSR Gosplan, the USSR Ministry of Finance, the State Committee of the USSR for Prices and the State Committee of the USSR for Statistics on November 30, 1990, No. VG-7-D; 133; 01-17/2616; 17-24/10-69.

Inputs shall also include:

the sums of actual representation expenses in the USSR;

any payments related to annual performance-related bonuses and payment of increments for work in the USSR;

payments for compulsory state social and health insurance;

payment of interest on long-term bank credits, with the exception of interest on bank credits in arrears and deferred;

business-trip expenses in the USSR;

expenses on travel to and from the place of work and on the maintenance of company vehicles and company housing in the USSR;

other expenses are subject in each concrete case to agreement with the State Tax Inspectorate of the Ministry of Finance of the Union republic on whose territory the permanent representation of the foreign legal entity is located.

13. In assessing taxable profits, one should bear in mind the following peculiarites of their formation.

(a) The only part of the foreign legal entity's profits liable to taxation shall be that which originates in connection with the activity of the permanent representation in the USSR. No tax shall be levied on the foreign legal entity's profits from foreign-trade operations performed exclusively in the name of the given foreign legal entity and involving purchase of goods and services in the USSR, and also an exchange of goods and operations in exporting goods and services to the USSR under which a Soviet legal entity becomes the owner of the goods and services prior to their crossing of the USSR state border, except for sales of goods from warehouses on USSR territory owned or leased by the foreign legal entity.

(b) In the cases where the foreign legal entity conducts activity not only in the USSR and without separate records making it possible to assess the profits from his activity through a permanent representation, such profits may be estimated by agreement between the taxpayer and the state tax inspectorate controlling his settlements with the budget.

In each concrete case, one of the following indicators shall be taken for these purposes:

the proportion of gross earnings from the sale of goods (work and services) in the USSR within the foreign legal entity's total earnings from his entire activity;

the proportion of expenditures related to activity in the USSR within the total sum of the foreign legal entity's expenditures;

the proportion of personnel engaged in activity in the USSR within the total number of personnel employed by the foreign legal entity, and other similar criteria.

(c) Foreign legal entities receiving incomes not in pecuniary form, but in kind (in the form of goods or assets), shall pay profits tax proceeding from contractual prices, the prices of the leading Soviet exporter organizations, or prices calculated on the basis of world prices for identical or similar goods or assets. Where the tax agency has no information on the level of such prices, it may apply for information to the offices of authorized representatives of the USSR Ministry for Foreign Economic Relations.

14. In the cases where direct assessment of the profits received by the foreign legal entity in connection with his activity in the USSR proves to be impossible, profits may be assessed, by agreement between the taxpayer and the state tax inspectorate controlling his settlements with the budget, on the basis of gross incomes or incurred expenditures proceeding from a profitability rate of 15 percent (the so-called method of profit-tax estimates).

In the use of the said method, the ratio of profits to the expenditures related to its receipt (profitability indicator) shall be assumed to be 15 percent. In the event, profits calculated in this way shall be the object of taxation. Expenditures, irrespective of where these have been made, shall include not only the expenditures of the foreign legal entity's office (bureau) in the USSR, but also the given person's expenditures abroad directly related to his activity in the USSR. The expenditures shall be calculated in accordance with the rules set forth in Clause 12 of this Instruction.

15. Considering that not all the profits from the foreign legal entity's activity may be liable to taxation in the USSR, one should estimate the proportion of taxable profits. With this aim in view, by agreement with the foreign legal entity's official representative, the following criteria may be used:

the proportion of the working time spent by the foreign legal entity's representation on conducting activity the incomes from which are liable to taxation in the USSR within the given person's overall activity in the USSR;

the proportion of inputs by the foreign legal entity's representation into activity the incomes from which are liable to taxation in the USSR within the foreign legal entity's total inputs related to activity in the USSR through the permanent representation;

the proportion of incomes from the conduct of activity the incomes from which are liable to taxation in the USSR within the total incomes received in connection with the foreign legal entity's activity in the USSR through the permanent representation, and other similar criteria.

The tax agency must officially inform the foreign legal entity's representation in the USSR about the accepted method of assessing taxable profits. The accepted method of assessing taxable profits may subsequently be altered only on well-established and adequate grounds.

16. The taxable profits of foreign legal entities conducting activity in the USSR through a permanent representation shall be reduced by:

the sums of profits going into environmental-protection measures on USSR territory;

the sums of profits paid into the V.I.Lenin Soviet Children's Fund, the Soviet Peace Fund, the Soviet Culture Fund, the Soviet Mercy and Health Fund, the L.S.Vygotski Fund in Aid of Mentally Handicapped Children, voluntary physical culture and sports societies, the Red Cross and Red Crescent Union and societies, the All-Union Rehabilitation of Disabled Persons Association, all-Union organizations of internationalist fighting men, Ogonyok's Anti-AIDS and Chernobyl Funds, and their republican, regional and local branches, ecological and health-improvement funds, payments for charitable purposes, and also sums transferred to enterprises, institutions and organizations of culture, public education, health care and social security, physical culture and sports, but on the whole not more than 1 percent of taxable profits assessed without regard to the privileges listed in this Clause of this Instruction.

Where profits tax is assessed in the manner stipulated in Clauses 14 and 15, the privileges listed in this Clause shall not be allowed.

17. Elimination of double taxation, as stipulated by Article 35 of the USSR Taxes of Enterprises, Associations and Organizations Act of 1990, shall not be effected with respect to foreign legal entities deriving incomes in connection with activity in the USSR.

18. Foreign legal entities conducting activity in the USSR through a permanent representation shall pay profits tax at a rate of 30 percent.

The sums of taxes out of profits entered into the republican budgets of the Union and autonomous republics and into local budgets, payments for labour resources, and also payments for natural resources (with the exception of sums referred to the prime cost of goods, work and services) must not exceed the maximum amount of profit withdrawal assessed at the aforesaid rate.

19. Foreign legal entities conducting activity in the USSR through a permanent representation shall, not later than April 15 of the year following upon the year of account, submit to the tax agency at the place where the permanent representation is located a report on activity in the USSR (in any form), and also an incomes declaration in the form indicated in Annex No. 1.

Where activity is terminated before the end of

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the calendar year, the said documents must be submitted a month before its termination.

20. Where a foreign legal entity has several permanent representations in the USSR registered for taxation purposes, the incomes declaration shall be submitted to each of the tax agencies on whose territory the foreign legal entity's permanent representation is registered.

21. All types of revenues and expenditures shall be indicated in the declaration in the currency of receipt. Revenues in foreign currency shall, in this event, be recalculated into rubles at the commercial exchange rate of the USSR Gosbank as of the date of the tax assessment.

22. Profits tax shall be charged in rubles and paid by written order at the payer's discretion in rubles or in foreign currency purchased by USSR banks, at the time indicated in the payment notice.

For the sum of the assessed tax, the payer shall be issued a payment notice in the form indicated in Annex No. 2. The counterfoil of the payment notice shall serve as the basis for keeping a personal-accounts ledger. As the sum of profits tax is entered into the Union, republican and local budgets, the following inscription must be made on the face of the payment notice under "Type of Payment": "Tax withheld from foreign legal entity."

The time of the tax payment written into the payment notice shall be one month from the date of its issue.

The tax shall be entered into the Union budget in the amount of 50 percent, and the remaining 50 percent shall be entered into the republican budgets of the Union and autonomous republics and into local budgets at rates determined by the legislative acts of the Union and autonomous republics by agreement between them.

Concrete examples of charging tax on the profits of foreign legal entities are given in Annex No. 6 to this Instruction.

III. TAX ON FOREIGN LEGAL ENTITIES' INCOMES NOT RELATED TO THEIR ACTIVITY IN THE USSR

23. Foreign legal entities without a permanent representation in the USSR drawing incomes from sources in the USSR shall be liable to the levy of tax on incomes in the USSR at source of payment.

Incomes from sources in the USSR shall include:

dividends; interest; incomes from copyright and licences; incomes from freight; rental payments; incomes from managerial services, and other incomes derived from the rendering or use in the USSR of any kind of services, and which are not related to conduct of activity in the USSR through a permanent representation. Sums of compensation of outlays on services rendered shall not be liable to income tax.

Incomes from sources in the USSR (with the exception of earnings from freight) shall be liable to tax at a rate of 20 percent.

Sums of earnings from freight paid out to foreign legal entities in connection with sea, air, rail, road and other types of international haulage shall be liable to tax at a rate of 6 percent.

24. Earnings in the form of interest on credits given to the USSR Government, the USSR State Bank or the USSR Bank for Foreign Economic Activity shall be exempted from income tax.

25. Tax on the incomes of foreign legal entities from sources in the USSR shall be withheld in the currency of the transfer on the full sum of the income at every act of payment, and shall be entered in equal fractions into the revenue of the Union budget and the state budget of the Union republic on whose territory the Soviet legal entities paying out the income are located.

IV. SPECIAL PROVISIONS

26. Where an international treaty of the USSR stipulates rules other than those contained in this Instruction, application shall be made of the rules of the international treaty. (Note: some peculiarities in the application of tax agreements are given in Annex No. 5 to this Instruction.) International tax agreements may be studied in collections published by the USSR Ministry of Finance, "Effective Intergovernmental and Interstate Agreements of the USSR with Other Countries on Matters of Taxation."

27. In order to obtain tax privileges, the foreign legal entity must submit to the regional office of the State Tax Inspectorate, depending on the characteristics of the income, one of the following documents:

official confirmation of the fact of the given person's permanent residence in a country with which the USSR has an effective intergovernmental (interstate) agreement on tax matters;

confirmation by the USSR Gosbank or the USSR Vneshekonombank that the interest paid out on the credit corresponds to the income to which the tax privileges indicated in Clause 24 of this Instruction apply.

28. The confirmation as to the foreign legal entity's permanent residence in a country with which the USSR has an effective intergovernmental (interstate) agreement on tax matters (Note: indicated in Annexes No. 3 and No. 4 to this Instruction, together with the procedure for its application) may be submitted to the tax agency both prior to payment of tax and in the course of one year from the day of transfer.

In the first instance, the foreign legal entity entitled to the said tax privilege shall submit to the State Tax Inspectorate agency an application in duplicate, with due markings by the tax agency on one of the copies giving the Soviet enterprises, associations and organizations paying out the income grounds for reducing the sums of the tax levied. Such an application shall be filed annually.

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Where an application is filed for a refund of sums, the local tax agency shall consider the application, enter its ruling thereon, and forward it to the superior Union or republican agency (Ministry of Finance) for a refund of the tax, and shall also forward copies of the documents confirming the final assessment. The tax sums shall be refunded by written order in the currency in which the tax was earlier withheld.

29. Levy of taxes on the incomes of foreign legal entities may be terminated or limited on the basis of reciprocity in the cases where in the respective foreign state identical measures are effected with regard to Soviet legal entities in application to identical or similar taxes, with due confirmation by the central fiscal (financial) agencies of that state.

Reciprocal termination or limitation of tax levies may be effected only for identical or similar types of taxes on corresponding classes of incomes existing in the two countries. The grounds for applying this provision may be provided by a letter from the central fiscal (financial) agencies of the country in which the incomes of Soviet legal entities are liable to taxation concerning their exemption from taxes. A decision may thereupon be taken by the Chief State Tax Inspectorate on the granting of similar privileges to foreign legal entities with permanent residence in the respective country. The arrangement shall remain in effect until such time as the parties rescind it and begin the practical taxation of payers.

30. The provisions of this Instruction shall not affect the tax privileges stipulated by the general norms of international law and by special agreements between the USSR and other states on tax matters.

31. In commercial transactions with foreign firms, it shall not be allowed to write into the contract tax clauses under which the Soviet enterprise, establishment or organization undertakes to cover the cost of paying tax on the profits (incomes) of foreign legal entities.

In the event of a breach of this provision, the contract shall be deemed invalid in the part containing the said tax clause, and the foreign legal entity shall be bound to pay tax in the established manner.

V. PAYERS' DUTIES AND LIABILITY

32. Liability for correct assessment, timely payment of taxes into the budget, and compliance with effective tax legislation shall be borne, in the event of activity through a permanent representation, by the foreign legal entity and his official representative in the USSR, and in the event of the foreign legal entity not conducting activity in the USSR drawing incomes from sources in the USSR, by the enterprise, establishment or organization paying out the income.

33. Foreign legal entities conducting activity in the USSR through a permanent representation shall have the duty:

(a) to keep records of business and financial activity and to submit to tax agencies reports on

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activity, tax returns attested by Soviet cost-accounting auditing agency, and other requisite documents and information bearing on the assessment and payment of taxes.

Returns not confirmed through the taxpayer's fault by April 15 of the year following upon the year of account shall be deemed invalid, and liability measures stipulated by the legislation of the USSR for non-submission of book-keeping reports (balance-sheets) in due time shall be applied to the foreign legal entity who has failed to submit to the tax agency a document confirming the fact of verification.

From the said liability norm shall be exempted foreign legal entities who have submitted to the tax agency written confirmation by Soviet cost-accounting auditing agency that the foreign legal entity had concluded a contract for auditing services prior to April 15, and containing a fixed date for submission of the returns confirmed by the auditig agency;

(b) to present, and in due cases to submit, documents confirming the right to tax privileges;

(c) to pay the full sums of the taxes due at the fixed time;

(d) to allow tax officers access to examine premises on which activity related to the earning of profits (incomes) is conducted, and also to check up on matters in the assessment and payment of taxes.

Official representatives of the foreign legal entity shall have the duty to sign the act of verification conducted by the tax agency and, in the event of disagreement with the facts set forth in the act, to submit written explanations for the reasons for disagreement. They shall also have the duty to fulfil the demands of the tax agency on eliminating any discovered breaches of tax legislation.

34. Foreign legal entities conducting activity in the USSR through a permanent representation who, by April 15 of the year following upon the year of account, have no reports on activity in the USSR or tax returns, shall pay 110 percent of the sum of the tax assessed for the preceding period of account. Upon the submission of the said documents, a recalculation of the tax shall be made on the basis of the actually received profits, with due account of the available profit-tax privileges and with the earlier paid sums counted in.

35. For failure to keep a record of profits (incomes), and also for non-submission or delayed submission to tax agencies of reports, calculations and other documents requisite for the charging and levying of taxes, foreign legal entities conducting activity in the USSR through a permanent representation shall pay into the budget 10 percent of the sums of the taxes due.

36. In the event of concealment (understatement) of profits (incomes), foreign legal entities conducting activity in the USSR through a permanent representation shall be liable to pay the whole sum of concealed (understated) profits (incomes), and also a fine amounting to the same sum, and in the event of repeated breach, a double amount of the fine. The sums of concealed (understated) profits (incomes) shall be paid out of the profits (incomes) remaining at the disposal of the payer, within a period of 10 days from the day the act of discovered breaches is drawn up by tax officers.

Concealment of incomes received in freely convertible currency shall entail a recalculation of the sum of the incomes at a special exchange rate of the USSR Gosbank.

37. The sums of concealed (understated) profits (incomes) discovered by the tax agencies shall be entered in the amount of 50 percent into the off-budget funds of the local Soviets of People's Deputies on whose territory the enterprises are located. The remaining 50 percent of the said profits (incomes) and the fine for concealment of profits (incomes) shall be entered into the revenue of the budget in the manner stipulated for entry of profits tax in application to Clause 22 of this Instruction.

38. Officers at fault in concealing (understating) profits (incomes) or distorting tax returns, in non-submission, delayed submission or submission in undue form of reports, tax returns, calculations and other documents bearing on the assessment and payment of taxes and other payments into the budget shall be held liable by tax agencies to the payment of an administrative fine amounting to between 100 and 200 rubles, and, for a repetition of the same acts in the course of one year after imposition of the administrative fine, a fine amounting to between 200 and 300 rubles.

39. Concealment (understatement) of profits (incomes) done intentionally shall entail criminal responsibility and shall be punishable by corrective labour for a period of up to two years or by a fine of between 200 and 1,000 rubles.

40. Sums of tax not paid within the fixed period, and also sums of concealed (understated) profits (incomes) and the fine for concealment (understatement) or profits (incomes) shall be collected for the entire period of evasion by order of the tax agencies without the right of appeal.

Tax sums not paid in due time shall be collected for the entire period of indebtedness to the budget, with an extra charge of penal interest amounting to 0.2 percent of the sum in arrears for each day of delay (including the day of payment).

41. Sums of tax payments made in excess as a result of incorrect assessment or breach of the established levy procedure shall be subject to refund or shall be credited against other sums due from the payer where a period of one year from their receipt has not expired.

The filing of an application for a refund of sums of payments made in excess shall interrupt the running of the said period.

Refund of incorrectly paid taxes from the budget shall be made for not more than one year prior to the discovery of the incorrect payment.

VI. TAX AGENCY CONTROL

42. Control of correct application of tax legislation shall be exercised in conformity with the legislation of the USSR.

Non-fulfilment by officers of foreign legal entities, and also of other enterprises, associations and organizations of the requirements, instructions and orders of tax agencies and their officers in the performance of their official duties arising from the USSR Taxes on Enterprises, Associations and Organizations Act of June 14, 1990, shall entail administrative liability in the form of a fine amounting to between 50 and 200 rubles imposed by the heads of tax agencies.

VII. APPEAL AGAINST ACTS OF TAX AGENCIES

43. Complaints against the acts of tax agency officers shall be filed with the agency to which these persons are directly subordinate. Complaints shall be examined, and decisions taken thereon, not later than within a period of 30 days from the receipt of the complaint.

Decisions on complaints may be appealed against with the superior tax agency within a period of one month.

44. The filing of complaints shall not suspend the collection of taxes and financial sanctions.The agency examining complaints shall have the right to suspend the collection of the tax sum due pending the settlement of the complaint.

* * *

The provisions stipulated by this Instruction shall take effect with respect to the activity of foreign legal entities in the USSR through a permanent representation for incomes received in 1991, and with respect to the incomes of foreign legal entities from sources in the USSR – for incomes received since January 1, 1991. Incomes received by foreign legal entities from casinos, videotheques operation of gaming machines, and the staging of mass concerts and entertainments shall be liable to taxation as of July 1, 1990, in conformity with the USSR Ministry of Finance Instruction No. 111 of September 5, 1990.

Foreign legal entities conducting activity in the USSR through a permanent representation shall be liable to taxation in 1991 on the results of activity in 1990 in conformity with the USSR Ministry of Finance Instruction No. 94 of October 5, 1978, "On the Procedure for Applying the USSR Supreme Soviet Presidium Edict of May 12, 1978, 'On Income Tax on Foreign Juridical and Physical Persons'" only in the part bearing on tax rates and the procedure for assessing taxable incomes.

In connection with the issue of this Instruction, the USSR Ministry of Finance Instruction No. 94 of October 5, 1978, shall cease to be effective from 1992.

Deputy USSR Minister of Finance
V.RODYUSHKIN

December 29, 1990, No. 147

MOSCOW BUSINESS WEEK

How it all began

Russia helped IBM gain international recognition 100 years ago. Today IBM helps Russia

The multinational computer giant IBM was among those Western companies making the most determined efforts to establish a presence in the reforming Russian economy. Few people know, however, that about a century ago, Russia was instrumental in enabling the company to win international recognition, according to Mr **Robert H. Dunwell,** Director of Communications of IBM's accredited office in Moscow.

Back in the late 1880s, the inventor Herman Hollerith created an accounting system using punched cards, Dunwell explained. The Russian government became interested in the system, hoping to use it for a census of the empire's population. Russia's acquisition of the system was a major transaction for that time, and it yielded a substantial proportion of the start-up capital which the inventor needed to go into business on his own. The company was initially called the the Computing, Tabulating and Recording Company. It was not until 1924 that it received the name International Business Machines.

Robert H. Dunwell graduated from the Slavic Studies Department of California University in Los Angeles. His specialty is linguistics. He has been with IBM since 1974.

After the Revolution of 1917, business links were severed, to be resumed only in the 1970s. 1971 saw the corporation sell its first consignment of equipment to the USSR after the long break. This was followed by other deals, including the supply of computers to the Kama Truck Plant. IBM's office in Moscow was opened in 1974. Despite the international boycott of the Moscow Olympics in 1980, IBM supplied a custom-made computerized system for the games.

The invasion of Afghanistan and the introduction of martial law in Poland made things difficult for the corporation as the US administration tightened its licensing policy towards the USSR. Thankfully, all that belongs to the past. The world has changed and Russia is a new place too. Perestroika opened up new possibilities for rapidly increasing trade, and we are trying to take advantage of these opportunities to the utmost, said Mr Dunwell.

Below Mr Dunwell answers our correspondent's questions.

We are optimistic

What is the scale of IBM's operations in Russia?

We are supplying to Russia and other Commonwealth countries a wide range of equipment, from personal computers to large modern mainframes for the most varied applications. One of our most interesting machines – the RS-6000 work station – is one of today's most powerful computers. Thanks to Microchannel technology, it is capable of operating up to 10 processors simultaneously, ensuring enormous computing capacity. IBM's equipment is used by government agencies, hotels, research institutes and enterprises alike. The corporation has supplied 13,000 educational computers to some 1,000 schools, with every fifth computer delivered free of charge. Recent years have seen our sales to Russia double or triple every year. Although today's macroeconomic situation in Russia is in a state of crisis, resulting in stagnating sales, I'm sure we'll soon see the end of it.

What is your impression of the market for computers in Russia?

First of all, this is a vast market. Estimates by Western experts put Russia's requirements for various computers at about 30 million. This compares to approximately one million that have already been installed. Another peculiarity of the market is that supplies of computers do not come via regular channels. Most buyers focus on cheap first-generation machines sporadically imported by a motley array of small firms which provide neither warranties nor servicing. In a

way, though, this is understandable. A run-of-the-mill computer may be bought in the US for what amounts to half of a typical American worker's monthly salary. Also, there are many computers to choose from. In Russia, however, you have to work many years before you can afford to buy one.

...plus computerization

In what way does this influence IBM's market strategy in Russia?

We pursue the same objectives in all countries: high quality and reliability combined with reasonable prices. There is a good proverb: I'm not rich enough to buy cheap things. If you buy cheap from an obscure firm, you'll spend more money on repairs afterwards, and the purchase will ultimately cost you more. We would like to win consumer confidence in our equipment, which breaks down less often than computers of other companies.

An important element of our strategy may be summed up by a formula: we go to the market with what's found on the market. Our West European computer manufacturing operations use 80 percent locally made components. IBM is currently holding talks about similar purchases in Russia. There is no shortage of serious offers. We are putting in place a marketing and servicing infrastructure, and already have 50 partners in 15 cities.

IBM's list of priorities in Russia is very long. We are planning to take part in computerization programmes currently being drawn up for telecommunications, banking, commodity and stock exchanges, transport, oil production, and government communications. Paradoxically, Russia's backward telecommunications network is in many important ways a good thing: Russia's technological lead in the aerospace sector will enable it to skip intermediate stages of development and proceed directly to large-scale satellite-based communication systems. Few countries can afford to make such a technological leap.

On the whole, it is not an overstatement to say that IBM's strategy in Russia is aimed at the comprehensive computerization of the country on the basis of the latest world standards.

Spying is not our business

Some people claim, however, that awarding an American corporation a contract to upgrade Russia's government communications network amounts to giving foreigners access to classified information.

That's little more than prejudice left over from the Cold War mentality. IBM is not the only Western company to take part in such projects, so I do not see any additional risks in that. What's more, computer equipment for the Central Committee of the Communist Party was also supplied by IBM, among other foreign companies.

What could you say about the technological level of Russian computer hardware?

Although there have been some achievements in this area, many Russian producers tend to effectively duplicate the hardware which IBM manufactured in the 1960s, 1970s and 1980s. This is hardly a promising line of development, all the more so since a lag of even two months is disastrous in today's circumstances. Our company allocates up to 10 percent of its sales revenues to research and development. If Russian companies cooperate with us, they will be able to avoid useless expenses and benefit from state-of-the-art technologies. In particular, we hope to cooperate with defence enterprises being converted to civilian production.

As Russia increasingly opens up to the world, why does the West refuse to relax the COCOM restrictions?

Not so many of them have remained in force. Russia is no longer perceived as an enemy anywhere in the West. I personally believe that some of the licensing restrictions in the area of computer hardware and software are primarily related to fears of leakage of nuclear technologies. When these apprehensions are overcome, the situation will change radically. For instance, practically all of COCOM's restrictions are likely to be lifted from Poland, Hungary and Czechoslovakia in the nearest future. Russia will probably be the next country to be cleared by COCOM. It is even now accorded more preferential treatment than Yugoslavia.

We'd like to win the Russian market

Do you have competitors in the Russian market?

We face competition from such well-established companies as Siemens, Hewlett-Packard and Apple. But there is enough room in the Russian market for everyone. Indeed, we even join forces with our competitors when it is in our mutual interests. We have teamed up with Siemens to produce extra-powerful computers. Of course, we would certainly like to gain the largest share of the Russian computer market.

What are IBM's investment priorities in Russia?

Our top priority is to train an adequate number of competent Russian specialists. IBM's Moscow-based branch currently employs 95 people, of which only 15 are foreigners. Another 23 Russian citizens are now undergoing training through the company's standard courses. By training a local work force, we hope to pave the way for an increased IBM presence in Russia. We've already opened an office in St. Petersburg, and negotiations are underway in Kiev and Minsk. We have set aside a substantial sum of money to start up a joint assembly factory. We are trying to be as flexible as possible in our pricing policies, and are prepared to consider any alternatives to sales contracts, including barter and commission deals. IBM is set to move to accepting payments in rubles.

We do not pursue the aim of immediate repatriation of profits. IBM has longer-term plans for Russia. It is precisely for this reason that IBM's office in Moscow is one of the very few wholly foreign-owned enterprises in Russia. IBM was one of the first foreign companies to be registered as a legal entity here. Even the rental payments for the premises we occupy in Moscow are in the form of computers which we hand over to local schools. We are actively involved in sponsor activities, such as financing the Kremlin Cup tennis tournament.

The earlier the better

What would be your advice to other foreign investors seeking to break into the Russian economy?

Previous experience will be of little use to them. The terms of trade in Russia have undergone radical changes. Centralized procurement agencies have been dismantled, and there are fewer intermediaries. The development of a market economy is reason enough for optimism, however. Investors should place great emphasis on long-term planning. Russia is a unique country in terms of natural resources, work force and intellectual potential. It's hard to imagine that these assets would not be put to effective use in the long term. Once the country has sailed beyond the shoals, there will be a period of explosive growth. The earlier a company establishes its presence here, the larger the rewards.

Dura lex

What to do if the state reneges on the terms of a deal it made with a private individual?

In the interval between the first session devoted to Yeltsin's decrees banning the CPSU and the main hearing, due to start on July 7, which communists, democrats and journalists are impatiently waiting for, the Constitutional Court is working tirelessly. On June 9, the application concerning investments to be repaid in cars filed by the Central Committee of the Independent Trade Union of Railway and Construction workers was considered.

This concerns the construction workers of the Baikal-Amur Mainline, Western Siberia, Yakutia and the Yamal Peninsula who, having been enticed by promises of the Savings Bank and the Ministry of Trade of the USSR, concluded bargains with these organizations for receiving the "priority right" to buy cars after 2,5-3 years of remitting fixed monthly amounts to a special account in the Savings Bank. Analogous bargains involving food supplies were made by agricultural workers with the said Bank and the Ministry of Trade in 1990-91.

In late 1991, the state failed to comply with its own promises to repay the investments with cars and postponed the fulfilment of its obligations till the next year. There is no need to remind the reader that after January 1992 prices for cars jumped a ten-fold. The government issued an order to raise the amount of these special investments two times, reducing the tax to 0,5 percent – that was all it deemed able to do.

It's noteworthy that all courts, including the Supreme Court, rejected the investors' complaints who were forced to apply to the Constitutional Court which considered the government's action unconstitutional.

This was the second out of seven cases in which the Constitutional Court directly protected the rights of citizens. In the first case it recognized as unconstitutional the practice of sending employees on pension at the retirement age for the simple reason of its being contrary to all international agreements on human rights according to which all people are equal irregardless of sex, race, nationality, religion and other qualifications.

The case of special investments, although it concerned only the investors themselves and their trade union, was much more pivotal and important, because here the adversary of the citizens was the state itself which had never been in the habit of being accountable for its actions (the accounts made from the rostra of congresses don't count), still less of being the defendant over a claim of ownership. The day when the Constitutional Court protected the rights of citizens in their suit against the state is worthy of being made a day of celebration.

The worship of the state has become genetically recorded in Soviet people during the recent seventy-odd years. The slogan "The interests of the state are above all" used to be implemented in the minutest details of everyday life. The state was always right whatever it did – confiscate, flout its own promises, expropriate and fail to return. Our parents and grandparents remember only too well the numerous state loans of various times as well as propagandist campaigns which accompanied them – subscription to a loan in fixed accounts (one monthly salary, two monthly salaries) was strictly mandatory, i.e., compulsory. The repayment of a loan could be postponed to any time deemed convenient by every new government under the guidance of every new leader.

There was another method of confiscating the citizens' incomes – for instance, the interest on investment paid by savings banks was reduced "at the request of the working people." Even the Penal Code provided for different punishments for misappropriation from the state and for a theft from private persons. One could be shot for having stolen socialist property and could spend a few years in a labour camp for having burglarized a private apartment.

The happy holders of lucky lottery tickets are in no better a position today than the above-mentioned owners of special investments – they are offered to add some 500 or 600 thousand rubles in order to become owners of a brand-new Volga car won in a lottery! According to the Finance Ministry, today the government owes about 300 thousand cars to the country's citizens, and this in the situation when there are only 112 thousand cars on the market and automobile plants are living through a catastrophic production slump, while some of them are on the brink of a stoppage.

Strange are our governments – Ryzhkov's, Silayev's, Pavlov's or Gaidar's – they strike bargains, postponing the fulfilment of their obligations for two or three years, although they hardly imagine what is in store for the country's economy in a few months, not to mention years. And every new government which is in the red from the previous debtor raises its hands in dismay – sorry, guys, nothing to offer you!

Unfortunately for Gaidar, who will have to undo the Gordian knot of special investments, neither Ryzhkov nor Silayev or Pavlov could foresee that by the time of paying off the debts a Constitutional Court would appear in Russia which made it incumbent upon courts to accept complaints of the owners of special investments against the government, so that the government is faced with the wonderful prospect of being answerable at court for over 53.5 thousand ownership claims.

In all probability, the government will find a way to fulfil its promises – it will either add the missing amount required in order to buy a car at the current commercial price on the free market, or reduce car export, or else it may grant tax privileges to the manufacturers of the long-desired cars, thus stimulating their production, and compensating for the discount prices. Or it can find some other way out – after all, this is its own mess.

However, it doesn't end here; there are many people in our country who made investments to the Savings Bank in order to buy a refrigerator, a TV set, etc... The day when the first owner of a special investment wins his claim at court or forces somehow the state to comply with the conditions of the bargain will be called a nightmare by some or the beginning of a law-governed state by others.

Marina Shakina

Racketeers: a broad sphere of activity

In the United States, even Hollywood paid off racketeers. In Japan, large company owners fear them. In Russia, they freely do whatever they like

Racketeers from the "Kazan" group in St. Petersburg celebrate the successful completion of another operation in a comfortable sauna, with beer and girls

Zhora "the Cannibal" and his seven accomplices were caught red-handed in front of the Moscow City Hall. Zhora, whose real name is Nikolai Yevdokimov, is an especially dangerous recidivist with a 30-year record. He tried to extort 50 million rubles from the director-general of Mosavtoservice, a small business engaged in servicing cars. Moreover, he demanded that this sum should be transferred to the account of some association Natasha Ltd. The director had not yet earned such a sum. But it was difficult to explain this to Zhora "the Cannibal," dubbed so for his cruelty unusual even for criminals. After long persuasions Zhora reduced the sum to 30 million rubles.

At the fixed hour, the thugs drove up in three Mercedeses to the square in front of the Moscow City Hall and were caught "red-handed" when they received a copy of the money order from the hands of the victim.

Zhora, who was convicted several times for robbery, has been put in the Matrosskaya Tishina prison. As a criminal "authority," he was placed in a solitary cell. By all indications, he will be sentenced to a ten-year imprisonment and will serve his term in a maximum security prison.

The impunity with which Zhora acted gives food for thought. He simply could not believe that the Mosavtoservice director would apply to the police for help. It should be noted that the racketeer had grounds for reasoning such.

Paying a "tribute"

According to sociological surveys conducted by the ministries of the interior and security, about 80 percent of Russian businessmen who fell victim to a racket did not apply to law-enforcement bodies. This is also confirmed by statistics. In 1990, criminal proceedings were instituted only on 4,992 charges of "extortion," and in 1991, the figure was 4,592. Many businessmen do not believe in the effectiveness of the police and security service and fear they may become victims of revenge on the part of accomplices who have remained at large. It should be noted that so far there have been no instances of revenge, in Moscow at least.

There is one more reason for which businessmen regularly pay a "tribute" to racketeers and keep silent. The character of relations between businessmen and racketeers often suits both sides.

Dmitry, 25, (he asked me not to disclose his surname), owns several shops in the south-west of Moscow, which sell imported and even domestic goods at high prices. He did not wait for the racketeers to come and personally established contact with them. Almost friendly relations developed between him and gangsters over two years of joint "work." Dmitry pays 5,000 rubles a month for the "protection" of each of his outlets which is much less sum of money should other guys visited him. It happens that Dmitry is two or three days late in paying the "tribute," because the selling business does not bring fabulous profits any longer. But the gangsters do not have serious pretensions. They understand the difficulties and even lend him money. At the same time, reliable protection is ensured on their part. Once he had an occasion to see that with his own eyes.

One day last August, three guys, who had come from the Caucasus, entered his shop. Their sport suits and leather jackets left no doubt about the character of their occupation. "This is our territory," they told Dmitry, "and you will have to pay a fourth of the profit." On the next day the two groups met near the shop at the fixed hour to "clear up" the matter. Eye witnesses said later that the clash reminded them of a scene from an American gangster flick. The gun fire and fighting, during which the shop windows were smashed to the horror of passers-by, ended in the complete victory of the former "patrons." The newcomers, beaten unmercifully, ran away. Aid from the police (its local office not far from the scene of the fight) came 40 minutes after it was all over.

Racket is not a new phenomenon in Russia. In the past it was simply called extortion – a more exact term, in the opinion of some specialists. The criminal code of the Russian Federation has contained an article about extortion from the very outset. Extortion was also practised before, but on a small scale, and the police could effectively keep it in check.

The rate of this crime soared after the adoption of the law on cooperatives which virtually gave rise to private business in the Soviet Union. Private enterprise was allowed officially, but no comprehensive tax system was devised. Numerous extortioners took advantage of the situation by collecting "taxes" from new businessmen. In fact, they assumed the role fulfilled by the state in civilized society. Security ministry officials are convinced that if an effective auditing service was organized at the time, racketeers would find it more difficult to collect "tributes" from their clients. For a firm would have to explain in each case where money came from and on what purpose it was used.

Modern day "Robin Hoods"

It should be said that as people's living standards decline, their hatred of new entrepreneurs increases. That is why most people sympathize with racketeers who, for their part, try to win an image of so-called Robin Hoods. Today one can often meet people sympathizing with racketeers.

The primitive, or, as it is also called, "everyday" racket gives way to its more refined forms. For instance, a founding organization compels its small or joint enterprise to pay "tribute," refusing otherwise to supply equipment and raw materials or threatening to punish it by other means.

Many racketeers operate officially today. For this purpose it is enough for them to get registered as a security cooperative. In one Moscow district, such a cooperative gathered information about all people engaged in commercial activity in its territory. After that, toughs persistently tried to bring home to local businessmen that they simply needed protection. Those who did not understand such a need were given instructive lessons. In a neighbouring district, another organization imposed in exactly the same way its services for property insurance.

The widespread opinion that our law enforcement bodies are ineffective impels even respectable firms to use the services of gangsters when it is necessary to "knock" the debt out of business partners.

According to the latest data of the Interior Ministry, 2,600 criminal groups are active in Russia today. Most of them are also engaged in racketeering. In Moscow, there are about 100 groups of this kind. The criminal investigation bodies know well many leaders of this mafia and, as a rule, are waiting for a suitable moment to arrest them.

Much more trouble to the law enforcement bodies is caused by travelling hit-and-run criminals. Having committed a crime, say in Moscow, they go into hiding in one of the sovereign states of the Commonwealth. A security ministry official complained to a *New Times* reporter that today it is easier for Russian bodies to agree on the extradition of a criminal with, say, Switzerland than with a former constituent republic of the ex-USSR.

Specialists in the struggle against organized crime call attention to evident drawbacks in our criminal legislation. In many respects it reminds one of the recent "Japanese variant": a member of a criminal group can be brought to trial only for concrete deeds. His association with the mafia is not a crime in itself.

The Timiryazevsky District court in Moscow is now examining the case of a group of racketeers from Daghestan who tried to extort 20,000 rubles from the chairman of a cooperative. The idea was suggested by a former employee who was caught embezzling and got the sack. The "executors" will apparently be convicted soon, while the "organizer" will remain free.

In a talk with your author, interior and security ministry officials recalled with envy the sensational trial of 400 Italian mafiosi. It became possible because the main witness for the prosecution was absolved from criminal responsibility under law. There are more recent instances: the trial of John Gotty, Pablo Escobar, head of the "Medellín cartel," and Panamanian dictator Manuel Noriega. In all these cases witnesses for the prosecution received milder punishment or were absolved from criminal responsibility in general. Under Russian laws, a similar compromise between the investigators and the person under investigation is impossible. This means that there are practically no chance of putting the main organizers of crime on trial.

Is the mafia immortal?

Oleg Ivanov

Moscow and Tokyo find common ground in space

It appears as if Moscow's idea of bilateral space cooperation offered to Tokyo four years ago will soon be brought to fruition. Tokyo has approved in principle the conclusion of a space agreement with Russia.

Russia's space research agency Glavkosmos has submitted to Japan a 20-point list of possible bilateral initiatives, including the development of new missiles and satellites, the designing and manufacture of space equipment to be installed on orbital stations, the exchange of technologies, the launching of Japanese satellites by Russian missiles, the preparation and conducting of joint research and experiments in orbit.

Tokyo showed particular interest in Moscow's proposal to sell the know-how and technologies used in the Buran-Energia system and the results of research in the field of space medicine and biological experiments, including data obtained during long space missions. Tokyo also took an interest in several technologies and devices as well as the possibility of using the Russian orbital station Mir for its experimental programmes. Moscow, on its part, is interested in the participation of Japanese companies in joint projects with the use of that country's latest achievements in electronics.

Airbuses for Russia

Several A-310 planes have been delivered to a new company, Russian International Airlines, which is to become known for offering the exceptional comfort of these modern aircrafts. Just as all other planes of the Airbus Industry consortium, A-310s are assembled at one of the world's largest aircraft complexes in Toulouse, the south of France. Structures, components and other equipment for future planes are

transported to it from Britain and Germany, Spain and Belgium, Holland and several French cities. The United States supplies the highly economical engines of General Electric and Pratt and Whitney.

All components from 1,000-odd companies are delivered according to schedule and the assembly pace is maintained. Ten airbuses of six models are assembled every month. A-310, a wide-bodied plane, belongs to the class of "intercontinental." It can cover a distance of 9,600 km without a stopover, flying at 855 km an hour. The flight from Moscow to Tokyo will take 9 hours 20 minutes and the non-stop flight from Moscow to Singapore, 11 hours 5 minutes.

In the opinion of leaders of the Russian International Airlines, the service provided by five comfortable airbuses on these routes will be profitable in terms of earning foreign currency. The complex maintenance of A-310 planes will be provided at Lufthansa's service bases, which gives all-round assistance to Russian specialists.

Moscow Francoport – the gateway into the future

The US financial group Intel Trust Development Bank is the first foreign firm to have decided to establish a presence in Moscow's free customs zone, Moscow Francoport. American businessmen are sure that Moscow Francoport will become a major shipping centre for imported products with destinations in Moscow and elsewhere in Russia.

Last year alone has seen 600,000 containers of import and export cargoes carried through Moscow by rail and another 400,000 containers by road. There are now about 10,000 entities engaging in foreign trade in Moscow. Preliminary estimates by experts of the Moscow government show that further expansion of trade and other economic links between Russia and the rest of the world (including other CIS countries) could swell the traffic of foreign trade cargoes through Moscow by 6 to 8 times.

The infrastructure of Moscow Francoport will be built on 40 hectares of land adjacent to Vnukovo airport. The project also calls for the construction of a large hotel and business centre in the Krylatskoe district.

The overall cost of the cargo terminal and business centre is expected to amount to about $180 m.

Could Kaliningrad become another Hong Kong?

"Yes, it could," replied the economists, politologists, diplomats and military experts who gathered in the resort town of Svetlogorsk for an international conference. Representatives from Russia, America, Western Europe and the Baltic countries shared their views on the prospects before the Kaliningrad-based free economic zone Yantar.

They were unanimous in affirming that the Kaliningrad Region has all the prerequisites for becoming a Baltic Hong Kong fairly quickly: advantageous location at the junction of international trade routes, sea ports operating round the year, and proximity to Europe. But it goes without saying that the coming-of-age of a free economic zone is impossible without massive foreign investment. Hence, the need to create a favourable climate for foreign capital. Now this problem is being given priority by for local authorities.

Czech beer straight from the keg

Various brands of Czechoslovakian beer, including Plzen, Prazdroy, Krushavitskoe, Staropramen and Budvar have long since been the favourites of beer lovers from many countries. These and other brands of beer, wine, confections and malt, as well as mini-tractors, were demonstrated during an exhibition at the Czecho-Slovak Trade and Technology Centre in Moscow. The score or so of companies and enterprises which took part in it had decided to enter the Russian market directly, bypassing the foreign-trade intermediaries.

The interest shown in the exposition by Rusian businessmen surpassed all expectations. There was a flood of business offers supported by solid facts and figures. According to Mr Radek Shveda, a senior executive of the Trade and Technology Centre, the beer exhibition had permitted his countrymen to hold plenty of talks not only with Russian beer makers, but also with those who wanted to buy their products. Mr Shveda claims at least 1,000 prospective buyers were identified. There is hope, therefore, that many brands of excellent Czech beer will soon be readily available in Russia.

Riding camels to supermarket

A new supermarket was opened recently by the Russian-German JV Union. The event could not fail to attract the attention of both Russians and foreigners, as the joint venture has already become well known among the hard currency crowd for its restaurant, Peter's Palace, and a night bar which presents erotic shows every weekend for foreign and Russian businessmen and tourists.

A curious event at the ceremony was taking a ride on a live camel. Everybody could take this chance.

The supermarket Union lived up to the guests' expectations. A rich array of goods was displayed on the shelves, including such exotic fruits as mangostyn and rumbutan. These fruits are unknown in Russia, so the supermarket will invite people to taste them during the first week following the presentation.

The shop has a policy of giving presents and various discounts to customers. For example, customers who pay in advance are given a 10% discount. The supermarket will soon introduce the practice of delivering food to customers' homes.

The joint venture remains hopeful about the ruble market, and therefore is planning to open a fast-food cafe near the supermarket where the local currency will be accepted. It will use supplies form Europe, and meat will be roasted before your very eyes.

Slick know-how for vegetable oil

The international group of companies BMIC, Israel, and the Kursk Region administration have decided to set up a joint enterprise for the growing of sunflowers, rapes and soybeans and the production of vegetable oils from them.

The main factory for the processing of 400 tons of seeds a day will be situated in the Sudzhan District of the Kursk Region, which has the necessary transport and power infrastructure for this purpose. Foreign companies will supply the technology, know-how and equipment and will train the maintenance personnel.

During the first ten years of its operation the joint enterprise will be freed of the export duty and enjoy tax privileges. Part of the profit earned in rubles will be used for the export of raw materials.

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General Dubynin:

Thanks to the Poles for putting up with us for 47 years

The commander of the Northern Group troops of the CIS, Colonel General **Victor Dubynin,** flew out of Warsaw newly assigned the head of the Armed Forces Staff and First Deputy Minister of Defence of Russia. Before departing for Moscow he gave an interview to the *New Times* correspondent in Warsaw, **Rudolf Borecki.**

The last few weeks the name Victor Dubynin has appeared often in Polish newspapers. They pointed out that he stood out because of his decisiveness, good judgement, independent thinking and openness. Compared to the gray-green ranks of his faceless colleagues, the "general-occupier" began to seem remarkable to the Poles

New Times. I admit I'm at a loss as to how to address you: I don't think "Comrade General" is said any more – and I haven't got used to saying "Mr General" yet. Can I just call you Victor Petrovich, like in civilian life?

General (laughs): Sure!

N.T. You've become a renowned person in Poland. And it's not at all typical for Poles to have anything good to say about a foreign occupying general. I think the main thing here was the courageous act of lifting the heavy curtain concealing the truth about 1981. What made you – the first and only one – to do so?

Victor Dubynin. It should be said, first of all, that there were more and more attacks on the Polish leadership of that time, mainly on Wojciech Jaruzelski. It was as if he was the whole problem. The unfairness of the unfounded criticism of the Polish leadership is the first reason that compelled me to tell the truth. The second, and probably more important, was the desire to clear up the truth which had long been hushed up.

In 1981, the plan was that if the Polish leadership didn't do anything decisive in order to maintain the stability of the system and keep order in the country, then military measures would be resorted to. I'm not asserting here that military force would necessarily have been used. More likely the presence of the army alone was thought to be enough to stabilize the situation in the country. In other words, by the very fact of its being there...

N.T. On Polish territory?

V.D. Yes, on Polish territory... and not to allow the growing activity of Solidarnosc to change the existing system in a region that was strategically important to us.

N.T. What were you in the army at that time?

V.D. I was the commander of a tank division in the Belarus military district which was stationed not far from Minsk.

N.T. As commander of a division, did you receive any orders, instructions or at least signals about the preparation of military operations against Poland?

V.D. (he thinks the question over and doesn't say anything for quite a while). Well, I think the time has come to tell about it. Preparations were under way. The division was getting ready. Moreover, I myself did the planning... At any rate, the array of the units, their organization and path of advance were worked out. For my division too. I knew the assignment, I knew those regions where we would go and I knew all the populated areas which we were to occupy.

N.T. Where would you have been? Where would your tanks have gone?

V.D. An area southward of Warsaw.

N.T. The acknowledgement that the Soviet Union planned a large-scale operation to pacify Poland (in the spirit of the "brotherly aid" which was shown to Czechoslovakia in 1968) costs dearly. For this is not a rumour, but the word of a direct participant, who worked out the plan and would have carried it out. The conception of "limited sovereignty" of the countries of the socialist bloc in 1981 would have inevitably led to a bloody tragedy. Knowing Poland and the Poles, I can say that without any reservations. Let's get back to the current problems. All are interested in your recent visit to President Lech Walesa. What did you discuss with him?

V.D. We talked about how to withdraw all of the troops from Poland. In the course of signing a package of documents in Moscow concerning military affairs, documents that had already been initialled by the way, an

Victor Dubynin: The unfairness of the unfounded criticism of General Jaruzelski compelled me to tell the truth
Photo by Valentin Mikhailov

absolutely unforeseen circumstance arose.

N.T. You have in mind the coded message Lech Walesa received from the former prime minister Jan Olszewski just a couple of hours before he was to sign the agreement...

V.D. The message contained a demand to change some points concerning finances in the joint protocol...

N.T. According to the Polish press, President Walesa's visit to Moscow was almost cancelled on account of it...

V.D. Yes, the divergence between the document that was to be signed and the demands of the prime minister was very great. The new version which the Polish side hurriedly proposed was, I could say, not in our interests. The Russian side, especially President Yeltsin, manifesting good will, was ready to make concessions, actually big concessions in order to sign all the treaties, including the documents about the army. But, and I think this is important, the Polish side assured us that it would assist in every possible way to create a good climate for withdrawal of the army and for the resettlement of the soldiers. President Walesa told me that he would go to the rich West and hold out his hat in order to get the money for the construction of housing for our soldiers. And Poland would provide the work force and the building materials. The President assured us that not one soldier leaving Poland would have to live in a tent or train car.

We also asked that a number of objects that we were vacating be made afterwards into joint Polish-Russian enterprises, and the revenues from their sale and consequent activity be used to build housing. This point was also in the initialled document. But this was what the prime minister was objecting to in the coded message to Lech Walesa. Therefore I had made a visit to the President to clear up all these knotty issues. The hour-long talk was friendly, President Walesa understood our doubts and assured us that he would do everything so that not a single soldier of ours thought badly about Poland and the Polish people. Lech Walesa promised our President just as he had told me during our meeting in Belweder, that he would do everything in his power to facilitate creating joint enterprises and not only on the territories where our military bases had been, but all over Poland, especially where there was a work force.

N.T. You, as the Polish mass media noted, apologized to the President for 4-odd decades of our military presence...

V.D. The Polish press somewhat twisted my words. In some papers I read that General Dubynin had come to President Walesa in order to apologize for our troops being there for 47 years... The goal of my visit, as I have already said, was not that. Actually, the President urged me to make a statement to the Polish people. And I was totally sincere when I said: "When the last soldier leaves Poland, the Russian side can say only one thing – thanks, dear citizens of Poland, for putting up with us for 47 years. Over that long time there were good moments, but there were also tragic ones: highway incidents, accidental explosions, aircraft falls, polluted land and forest fires. A lot happened, so thank you for being so patient." That's what I really said.

N.T. What's your mood now as you return home?

V.D. I thank the President of Russia for having so much faith in me. Now my task is to create a new structure of the Armed Forces Staff in a short time. It won't be large, but it must be powerful, functional and contemporary. It must work out the new military doctrine of the Russian state and the conception of a new army as soon as possible. Our army mustn't be a burden on the country or the people. And at the same time, the people should be confident that the army is capable of defending them from any aggressor. Though we don't see any state as having aggressive intentions towards us now, the army, as an attribute of the state and its defender, must remain at a very high level. Then it is possible to talk with any state as an equal. However, some politicians abroad now treat us as a second- and even third-rate nation.

N.T. If you don't mind, I have one last question. What do you think the fate of the Chief Intelligence Department (GRU) should be? As far as I know, it was very active, especially in times of peace.

V.D. I think that the GRU should remain. As long as there is an army, it should have its own intelligence service. We must be on top of things. We should know about the army in any state, and what it is doing, and if it is poised, then against whom? We mustn't allow a 1941.

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Tamtamchik, the puppet host of the night TV programme for children "Holiday every day," recently invited a funny doll named Knop to the studio. It was Knop's birthday and the doll received gifts from a mouse, a cat and a live cactus, as well as a birthday cake. The merry performance was full of incredible adventures. It was shown by the puppet theatre Bi-ba-bo.

The theatre, one of the first non-government professional groups in Moscow, is led by **Anatoly Veshchikov,** who worked earlier in the Puppet Theatre under the direction of Sergei Obraztsov. Yevgeny Petrov and Sergei Lisitsky also left the Central Puppet Theatre and began to work, together with Veshchikov, in the Bi-ba-bo theatre. "Knop's birthday" is one of the two children's plays in the repertoire of this group. The second play, "The tales of Palekh," has been staged based on Russian folk tales. In addition to them, Bi-ba-bo has prepared a show for adults consisting of several scenes changing after each performance.

Only seven people are engaged in Bi-ba-bo. It is the name of a popular Japanese doll known to children all over the world. The group does not yet have its own stage. But this does not upset the actors. Their theatre can easily go on a concert tour – to children's boarding homes, an Army division, or an atomic power plant. Plays are written by the actors. They also draw cartoons, make their own puppets and sets, and select musical accompaniment. There is practically no text to the plays. Everything is clear without words.

* * *

When someone in Russia says, "I'll complain to the United Nations," this means he will go to Bulgarian diplomat **Boiko Tarabanov** to state his case to him. Boiko, 56, is the first foreigner in the post of Director of the UN Information Centre in Moscow. He was selected for the post by former Secretary-General Perez de Cuellar from among 30 candidates one and a half years ago.

Before that, the UN Centre in Moscow looked like a department of the Soviet Foreign Ministry rather than an office of the international organization. **Boiko** Tarabanov put an end to the privileges enjoyed by the Centre's staff. He himself goes to drink coffee not in the foreign ministry buffet, as his predecessor did, but on Old Arbat Street.

The diplomat says, however, that to live in Moscow became harder. He receives part of his salary in rubles, but at a very strange rate: 1.67 rubles for one dollar. The same exchange rate is used when UN representatives go on a business mission around Russia or to any other member states of the Commonwealth. This circumstance complicates the work of UN experts who are unable to pay tens of thousands of dollars for a trip from Moscow to Siberia or the Far East.

Nevertheless, Boiko Tarabanov dreams that some time in the future people in a remote area of Russia will see a UN official and that in Russian schools at least several lessons a year will be devoted to activities of the UN.

The Bulgarian diplomat has come to Russia hoping to "help it implement the UN ideas and ideals which became very popular after the collapse of all dogmas in that country." He would like to pass on to Russians not only UN experience in peace keeping, but also the experience of combating crime and narcotics and defending the rights of individuals, invalids and children.

The task of Tarabanov is to inform the public of UN activity, and therefore he has no mandate to interfere in conflicts. The only area in which he can exceed his authority is by receiving people and listening to their grievances.

* * *

Dmitry Urnov, editor-in-chief of the journal *Voprosy Literatury*

The magic world of Alexander Lazarevich

When you come to **Alexander Lazarevich**'s studio, you take a plunge into a magic world he has created.

Alexander has been moulding various materials into figurines since he was a child. He first used clay, then earthenware, and finally ceramics, which has been his favourite medium for the last twenty years.

1972 saw his first personal exhibition, where he presented the most varied vases, tea pots, vessels of unusual shape, and decorations. He did not have much of a name at the time, so his creations were not exactly snapped up by collectors. Therefore Alexander was happy to present his works to his friends, who in turn gave them to their friends. Very soon, he had his first customers. In his own words, breathing life into clay represents a way of life to him.

Having mastered ceramics, the artist switched to chinaware. The fragile yet durable material enabled him translate his desires and dreams into reality. He was particularly fascinated by the magical transformations of vairous shapes into other forms, by merging different epochs, the West with the East, the Gothic style with Islam, India with Ancient Rome...

"It is quite natural for me," Alexander says. "I'm overwhelmed by a desire not to let objects out of my hands and prolong the process of their creation. I want people to see all the transformations which the original piece of clay undergoes before it is coated with a layer of enamel. I want my works not only to be perceived as finished objects, but also to tell the story of their creation."

Since 1990, Alexander's works have found their way to collections and exhibitions in the US, Australia, Spain, Italy and Germany. H was invited to take part in an exhibition in Jan Feiner's gallery in Norway in the summer of 1990.

The exhibition was a tremendous success. There was a spate of publications in Russian and Norwegian magazines about the remarkable ceramics and chinaware created by artist Alexander Lazarevich. Norwegian TV showed a number of films about his work.

(Questions of Literature), has given up his post for the sake of working in the United States.

A specialist in American literature and a horse lover, he supported "the national-patriotic forces" in his writings over recent years. Urnov became known by scathing articles about Boris Pasternak's novel *Doctor Zhivago*, in which he found only shortcomings.

The struggle of our "patriots" against the West's pernicious influence requires their constant presence on the territory of the enemy. Some of our writers and literary critics prefer to uphold the purity of Russian soil exclusively from North America or West European soil.

The new editor-in-chief of *Voprosy Literatury* is **Lazar Lazarev**, whose participation in the war determines his literary leanings. A close friend of eminent writer Konstantin Simonov, he is probably the most authoritative critic on Russian novels and stories devoted to the war against Nazi Germany.

* * *

The visiting card of **Alexander Savelyev,** 48, says "Artist (impressionism, modern)." Two years ago he had a different visiting card: "Moscow Institutie of Steel and Alloys. Head of the chair of technical cybernetics and information theory, college lecturer."

Alexander took a liking to painting in early childhood thanks to his father, who was an architect. But in 1961, Savelyev was not admitted to the Higher School of Industrial Art. His pictures seemed too "far out" to the selection committee. Alexander felt hurt and gave up painting for 22 years. During this time he graduated from the Moscow Aviation Institute, studied for several years at Moscow University's department of mechanics and mathematics, defended his thesis for a candidate of science's degree, and began to teach at a technical college.

He resumed painting only in 1983 and today has an impressive career in the art world. Several exhibitions of his paintings have been held. Recently he was admitted to the professional creative union of artists and graphic artists of the International Federation of Artists under the auspices of UNESCO. His works sell well in the West. Alexander decided to open his own gallery, called "The Russian North."

"The Russian North" is a new attempt to understand the role of the northern regions in the history of our culture and art. Every year, Savelyev goes round towns and villages of the Yaroslavl, Vologda and other northern regions in search of unknown "provincial talents" and masterpieces.

It is assumed that "The Russian North" will be a commercial gallery. But apparently much time will pass before the activity of Savelyev and his associates will begin to yield a profit. Savelyev never disputes this. But he doesn't give up his idea.

Nostradamus is right

The legendary French diviner Nostradamus prophesied that 1998 would be the year of Hermes – the patron of merchants. The diversified Russian concern bearing the name of this deity appears to have been making active efforts in preparation for this year, strengthening its econmic positions and enlarging its market share.

Even now, the trademark Germes brings together a scientific and technological centre, the Tyumen-Moscow exchange, several trading houses, a joint-stock bank and a number of other influential commercial undertakings. The latest arrival in the Germes family is Germes-Soyuz.

This multinational oil-investment holding company, says **Valery Neverov,** company president, was founded by 45 industrial and commercial organizations, which include not only the members of the Germes family, but also large production amalgamations from Siberia, the Urals, the Caucasus and Kyrghyzstan, and the Ulrals-Siberian oil pipeline association. Present among the new company's founding members are also Russia's Industry Ministry and the Union of Oil Producers.

Valery Neverov holds a PhD in physics and mathematics. He has written a number of scientific papers and made a series of inventions. He graduated from the physics department of the Urals University. He first created a cooperative, named Efficiency, then went on to initiate the scientific and technological centre Germes. He was one of the founders of a number of exchanges, including the Tyumen-Moscow Exchange Germes.

Valery Neverov believes that a new firm will be able to expand its range of activities by joining forces with the Germes banking system being created simultaneously. One of the company's stated objectives is to provide oil producers with badly needed financial and material resources by the end of the year.

Germes-Soyuz's longer-range objective is to branch into international markets. Its plans include involvement in large-scale international banking transactions and the implementation of investment projects, including the purchase abroad of modern oil processing plants.

The creation of Germes-Soyuz represents an important step of Russia's fuel and energy sector towards the market economy, with which it has thus far maintained few links. The fact that most of the new company's ownership capital belongs to state-run enterprises at this point should therefore be seen as a temporary phenomenon. The more so, given the ever louder calls by the public for sweeping privatization.

The president of Germes-Soyuz says: "What we need now is a large modern oil company which would be in a position to deal with Shell and British Petroleum as equals." It is very likely that this could happen within six years' time, in the year of Hermes. Nostradamus has rarely been mistaken.

FROM THE 20th CENTURY POLITICAL THOUGHT

Introduced by *New Times* analyst **Rostislav Zolotaryov**

To those who are interested in the theme of the Russian intelligentsia's destinies, as seen by the philosophers of the Russian "Silver Age," we offer excerpts from Yu.V.Klyuchnikov's book *At the Historical Crossroads* (Na velikom istoricheskom perekryostke) published in 1922.

A representative of the Smena Vekh movement, named after the symposium *Smena Vekh* (The Change of Landmarks), Klyuchnikov continued, with some reservations, the theme of intelligentsia as it was exposed in the pre-revolutionary symposium *Vekhi* (Landmarks). The latter regarded the intelligentsia not so much as a social stratum, but as a frame of mind characterized by the adherence to radical views and a certain degree of detachment both from traditions and from real interests of society.

The *Vekhi* criticized the intgelligentsia for apostasy, for extremism, for "abstract moralism" which, paradoxically, turned into moral nihilism. Although largely fair, this criticism was misunderstood by many. Even those who were prepared to participate in constructive work took offence with the *Vekhi* authors.

A considerable proportion of the intelligentsia was committed not to its social function coming from its position in society, but to its alleged messianism. (Incidentally, some of the *Vekhi* authors were not altogether free of such messianic views; having withdrawn from active politics, their followers only made room for their passionary opponents).

In his essay Klyuchnikov noted the changes the Russian intelligentsia had undergone at the beginning of the century. He stated, first and foremost, that the intelligentsia had gradually changed over from the yearning to "save the world" to "sober-minded discretion" and awareness of practical tasks. Unfortunately, the pace of events prevented this tendency from prevailing. Instead, the smouldering discontent of the masses was translated into the language of the radical demands made by "educated riff-raff." A large proportion of the intelligentsia either refused to support reforms, or took an extremely negative stand on them. In other words, it had the alternative of taking part in reforms and supporting the government but losing the aura of self-sacrifice and martyrdom, or levelling devastating criticism against the government and the reforms but keeping its populist pretences. As a matter of fact, all this ended in total loss of self-respect and in an inferiority complex and, finally, in a degeneration into anti-intellectualism and submission to the dark instincts of the masses.

On the Russian intelligentsia

Yury Klyuchnikov (1886–1938)

...The Russian intelligentsia reflected and shaped Russian public opinion. It was the Russian intelligentsia that unwittingly won the monopoly of representing the Russian people's political will... We have already noted the role that the "political" nations' minorities and leaders have to play. That was the role the Russian intelligentsia played with regard to the rest of the Russian masses – it was their politically leading minority... and at the same time, it supplied their political and public leaders.

Russian intellectuals suffered the most from the monstrous deformities of their country's political system because they saw those deformities better than anyone else did. Owing to their spiritual refinement they were the most sensitive to injustice and evil. It would be no exaggeration to say that the position of the Russian intelligentsia itself was tragical in Russia...

It felt a part of a great, strong and rich nation capable of progress. It knew about the past of its nation and expected, by right, a great future for it. At the same time, the intelligentsia had to live under the yoke of an archaic regime, of a government which thrived on, and encouraged, popular ignorance; it was perfectly well aware of the sorry plight of all those who did not belong to the select few of the privileged who were hopelessly depraved by their habitual privileges. The Russian intellectual wanted to feel proud for his country but he couldn't, knowing all its backwardness, all its injustice, all the disorder it was in. Most of them Russians, noblemen and University graduates, our intellectuals were entitled to social privileges which, with all the other Russian conditions being equal, could have made their private lives easy and pleasant. But could they enjoy any of their advantages if their No. 1 task, as they saw it, was to change the legal position of each and all radically? They sought to promote their country's progress, which was extremely difficult because the government regarded any progress as dangerous or suspicious. It would have been more convenient, of course, to live without a care in the world, to turn a blind eye to all the problems and just to enjoy life. However, the Russian intellectual was too deeply aware of his social responsibility to do that. Living just for the fun of it would mean ceasing to be an intellectual to him.

The Russian "people" is ignorant and has to be enlightened. It lives in stark poverty and has to have its living standard raised. It is helpless in the teeth of disease and has to be treated. It has no civil and human rights, and these have to be granted to it. Quite a few Russian subjects are deprived of vital rights for the only reason that they are of non-Russian origins – let us work hand in hand with them for the broadening of their national rights. Russia lives next to Western nations who have inherited a highly developed civilization from the past – consequently, it has to catch up with them as soon as possible. Each nation, whether small or great, fulfills a historical mission – a small or a great one, respectively. The great Russian nation should wake up to its world mission and get down to fulfilling it in earnest. Russian intellectuals considered it their duty to do all that for the entire Russian nation – for its sake – and in its name.

...In chaos that Russia was perpetually in a state of, the Russian intelligentsia felt itself obliged to meet all the requirements of their homeland's social progress. At the same, the intellectuals had to meet their nation's moral, legal and political needs. Hence *the predominantly ethical character of the Russian intelligentsia's world view and its extraordinary role in the recent and modern history of Russia.*

Living and acting for the Russian people in a despotic or

semidespotic Russia was a hard and heroic effort for Russian intellectuals. Since the government invariably cracked down on them for any attempt to serve the people, they had to "go against the government" and expose themselves to all kinds of retribution. As a result, opposition to the government became a kind of a tradition in Russian intellectual circles... Illegal possession of banned revolutionary literature and support of the revolutionaries was a hallmark of decency. Being placed "under police surveillance," banished, or labelled a "political criminal" was a matter of pride for the Russian intellectual and secured him respect even from his enemies and persecutors. On top of that, "working for the good of the people" meant giving up all pleasures and comforts, ceasing to be practical and economical, relegating all the family and personal joys to the background...

In his permanent confrontation with the government and with the ruling quarters, the Russian intellectual failed, nevertheless, in getting close enough to the "people" who he served and for whose sake he sacrificed all... He never succeeded in "merging with the people." ...*He served the people for the very reason that he was not of their ilk.* The "people" and the intelligentsia did not understand each other in Russia. Their mentalities, habits, backgrounds and political views were different and just incompatible. Hence the tragical futility of the latter's attempts to "merge" and "reunite" with the people.

> One ought to be prepared not only for self-sacrifice but for ordinary day-to-day work as well: what people need are not barricades, but clean stables and well-swept rooms

A lasting spiritual unity of the people and the intelligentsia was, undoubtedly, one of the supreme Russian cultural ideals. For as long as the ideal was unattainable, Russian intellectuals were doomed to isolation in their own country; they had no real means of exerting a systematic influence on the government or leading the people and thus setting the trend of Russian political life.

This isolation and weakness of the Russian intelligentsia were further accentuated by it being heterogeneous as to ways of thinking and political temperaments. Owing to extremely strict censorship and the absence (right up to the 20th century) of the freedom of assembly and union, Russian political ideology had no chance to develop normally and to produce a predominant doctrine. Individual trends of this ideology took most different courses, now merging for the time being, now crossing, now keeping wide apart. What brought separate groups of Russian intellectuals more or less close together – apart from the purely formal ideals of progress and the common weal – were outstanding Russian publicists, "the ruling influences," "teachers" and "leaders" equally respected by all Russian intellectuals, particularly younger ones. This inner disunity of the Russian intelligentsia probably explains why individuals have played such a great role in all the Russian political movements and why Russian intellectuals are so accustomed to following some teacher or leader.

Ideals invariably turned out to be in striking contrast to reality; hopes for adequate socio-political progress were dashed to the ground one after another; as a result, Russian intellectuals had to concentrate, willy-nilly, on the most general principles, on the most elementary formulae, and on aims most remote, theoretical and abstract for all their vital importance. The details of a programme and its systematic development were of much less interest to them. Russian intellectuals were "unpractical" not only in their life and in actions, but in their thinking as well: the broader, the more abstract, and the less attainable an idea or a doctrine, the more attractive it was to them.

The latter circumstance explains another characteristic and important phenomenon of Russian reality of old, and namely the fact that Russia had long kept abreast of all the *Western* ideological trends.

Obviously, Western political ideas interested the Russian intellectual primarily for the reason that they gave him a weapon against official Russia and kept the spirit of protest in him alive. Another reason why they were important to him was that they went ahead of Russian political ideas and suggested successful solutions to many problems of importance to the West as well as to Russia. As he came up against those problems and tried to solve them in his own way, the Russian intellectual naturally wanted to see first how they were solved in other countries by people of greater political experience than he was.

All this, however, will be hardly suffice to explain the enormous influence Western political ideas have in Russia. The chief reason for this influence is as follows: first of all, the scientific and philosophical authorities of the cultured and advanced West satisfy the Russian intellectual's demand for indisputable authorities, for the above-mentioned "ruling influences"; and second, being obviously unfit for Russia these ideas appealed to him all the more because they filled his need for the most progressive, the most abstract and the least feasible theories and principles.

At the same time it should be remarked, for fairness' sake, that Russian political thought rarely contented itself with a passive assimilation of foreign teachings. On the contrary, it constantly and persistently sought to adapt foreign teachings to specific Russian reality for which purpose it often tried hard to transform them; sometimes they were denied outright. This contradictory attitude to Western ideas ranging from rejection to eager acceptance was, perhaps, the most vivid manifestation of the Russian intelligentsia's cherished dream – that of a Russia keeping pace with the rest of the civilized world, making a worthy contribution to worldwide progress and having, by right, *its special place among the nations.*

What should Russia's international standing be, and is there anything special Russia can tell mankind? Of all the problems that confronted Russian political thought this was, perhaps, the hardest and, at the same time, the most impor-

tant problem of all Russian political ideology in general...

Such were the more characteristic traits and trends of the Russian political thought as represented by the intelligentsia. To sum, the pre-revolutionary Russian intelligentsia's political demands were as follows:

– to fight against Russia's present;

– to serve the cause of Russia's political and social progress;

– to further lofty ideals without thought to self;

– to reconcile and to unite, to merge with the people and even to eraze the lines of distinction between the "people" and the rulers, between the higher and lower classes;

– to enter into close and regular cooperation with the rest of mankind;

– to realize and fulfill a special historical mission of Russia as a great nation and a mighty historical and ethical force.

Needless to say, these traits and trends manifested themselves in most different ways depending on the epoch and on the political temperament of the *dramatis personae.* These differences as such are highly instructive.

Personally, I divide each of the main trends of the Russian political and social thought since the end of the 18th century into three main periods: the period of great individual attempts, the period of collective, group or corporate action, and the period of education and political parties' activities...

As to the third period, that of political parties, it started shortly before 1905 with its constitutional reforms, as far as revolutionary trends are concerned; for liberal and conservative trends it began with the establishment of the State Duma. Owing to the revolution which is in progress to this day, this latter period has been rather short. For all its shortness, however, the period caused serious changes in Russian political psychology.

The slackening of censorship in the years of Russian constitutionalism, the introduction of the freedom of assembly, the convocation of the State Duma as a forum for an open expression of one's political views – all those post-1905 developments pacified some, accorded others legal ways of voicing their protests, and weakened still others' hopes of a new revolution. There appeared a number of political parties and groupings which began to vie each other for political influence and which, at the same time, sought ways of mutual cooperation for the common good.

They had to get down to practical problems in the order of the day because public opinion wanted action and tangible results, above all.

The time of dreams and abstract theories was over. Sobermindedness was needed.

Indeed, most Russian intellectuals became more soberminded than they had been until a short time before. In particular, those of them who were elected to the State Duma were no longer just champions of the people's cause. There gradually evolved the type of a politician, or even of a politicker. Self-sacrifice is all very fine, but one also has to impress his electorate and to win their votes (or to keep them). Prophets and "ruling influences" are no longer needed as badly as they used to be. The nation demanded MPs, above all.

In the post-1905 period, ending in 1917, Russian political thinkers changed entirely, therefore, as compared with what they had been before. Their social and political influence lost its former dimensions. For the most part, Russian political thought became much more prosaic and realistic.

At the cost of its former boldness and sublimity, it learned to bring pressure to bear on the government and to participate, in a matter-of-fact fashion, the conduct of state affairs.

> In eternal Russian chaos, the Russian intelligentsia had the mission to promote social and intellectual progress in every way

Let us bear it in mind, however, that we are talking about the Russian intelligentsia and changes in its political mentality caused by the establishment of a constitutional (or, to put it more accurately, semi-constitutional) regime in Russia. As to the mentality of the Russian "popular masses," it changed little, if at all.

What did the basic change in the Russian intelligentsia's mentality manifest itself in? It showed in the Russian intellectual gradually ceasing to regard himself as the only motive force of Russian progress.

His profoundly ethical approach to life began to give way to a more superficial attitude towards it. In any case, if he still sought to "serve the people," to "sacrifice" all for the people's sake, if he still cherished dreams of the historic mission of Russia, now all this was gradually becoming something else...

"New birds, new songs," a Russian intellectual of the 1840s or 1860s would say looking at his posterity today. He might add to this, with good reason, that neither the birds nor the songs have become any better on the eve of the revolution in Russia.

And now, the last remark: over the past period of the development of Russian political thought, which turned out to be simultaneous for all its branches, the conservative, liberal and revolutionary trends emerged and self-determined themselves in it most distinctly. The mentality of Russian intelligentsia has obviously changed in all its three camps – conservative, liberal and revolutionary. *The extent of this change has not been identical everywhere, though.* It was striking in the conservative camp and almost imperceptible in the revolutionary one. *Russian revolutionaries have assumed, as if naturally, the responsibility of carrying on the traditions of the Russian intelligentsia.* The greater lengths a Russian revolutionary went to in his views and actions, the more of the spirit of the old Russian intelligentsia he displayed. An extraordinary historical and political importance should be attached to this fact...

Prepared for publication by
Valentin Manuilov, Cand. Sc. (Philosophy), Penza

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